

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED**

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's financial statements of Bank of Ayudhya Public Company Limited, which comprise the consolidated and Bank's statements of financial position as at June 30, 2015, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the aforementioned consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at June 30, 2015, and financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statements of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's statements of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited for the three-month period ended June 30, 2015, and the notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Financial Reporting Standards.

BANGKOK
August 26, 2015

Permsak Wongpatcharapakorn
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2015

BAHT: '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
ASSETS				
CASH	27,666,912	31,154,503	27,571,759	31,077,762
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.2)	180,565,818	80,363,742	177,536,310	77,210,265
DERIVATIVES ASSETS (Note 7.3)	25,975,756	2,653,196	25,975,756	2,653,196
INVESTMENTS, NET (Note 7.4)	109,095,168	60,572,815	109,078,581	60,852,251
INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, NET (Note 7.5)	1,402,971	1,217,448	48,231,169	48,231,169
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 7.6)				
Loans to customers	1,291,300,903	1,057,635,974	1,172,545,576	904,469,031
Accrued interest receivables	3,708,515	2,636,440	2,544,638	1,557,735
Total loans to customers and accrued interest receivables	1,295,009,418	1,060,272,414	1,175,090,214	906,026,766
<u>Less</u> Deferred revenue	(46,430,454)	(44,875,328)	(20,447,392)	(14,279,451)
<u>Less</u> Allowance for doubtful accounts (Note 7.7)	(43,113,844)	(38,159,030)	(24,905,690)	(19,796,925)
<u>Less</u> Revaluation allowance for debt restructuring (Note 7.8)	(1,614,053)	(1,616,773)	(441,712)	(563,209)
Net loans and accrued interest receivables	1,203,851,067	975,621,283	1,129,295,420	871,387,181
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	556,174	508,328	556,174	508,328
PROPERTIES FOR SALE, NET (Note 7.9)	5,182,873	5,456,180	2,789,806	2,842,702
PREMISES AND EQUIPMENT, NET (Note 7.10)	20,344,113	19,952,366	18,759,470	18,219,369
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 7.11)	14,490,710	14,583,611	3,580,170	3,394,164
DEFERRED TAX ASSETS (Note 7.12)	5,147,970	4,982,739	639,436	485,060
ACCOUNTS RECEIVABLE FOR INVESTMENTS	1,521,362	2,133,297	1,521,362	2,133,297
OTHER ASSETS, NET (Note 7.13)	16,508,856	12,162,110	12,113,719	7,745,702
TOTAL ASSETS	1,612,309,750	1,211,361,618	1,557,649,132	1,126,740,446

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2015

BAHT: '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL	STATEMENTS	FINANCIAL	STATEMENTS
	As at	As at	As at	As at
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
LIABILITIES AND EQUITY				
DEPOSITS (Note 7.14)	1,007,314,904	837,555,978	1,013,138,020	843,747,653
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.15)	270,056,213	46,612,062	272,168,121	48,256,752
LIABILITY PAYABLE ON DEMAND	3,629,175	1,935,682	3,629,175	1,935,682
DERIVATIVES LIABILITIES (Note 7.3)	20,879,874	2,159,708	20,879,874	2,159,708
DEBT ISSUED AND BORROWINGS (Note 7.16)	81,296,815	151,805,341	60,140,011	97,267,531
BANK'S LIABILITY UNDER ACCEPTANCE	556,174	508,328	556,174	508,328
PROVISIONS (Note 7.17)	6,243,610	5,450,935	5,683,504	4,931,302
DEFERRED TAX LIABILITIES (Note 7.12)	27,996	24,036	-	-
ACCOUNTS PAYABLE FOR INVESTMENTS	1,249,086	518	1,249,086	518
OTHER LIABILITIES (Note 7.19)	36,748,008	33,639,023	20,668,388	16,023,896
TOTAL LIABILITIES	1,428,001,855	1,079,691,611	1,398,112,353	1,014,831,370
EQUITY				
SHARE CAPITAL (Note 7.20)				
Authorized share capital				
7,574,143,747 ordinary shares of				
Baht 10 each				
	75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital				
7,355,761,773 ordinary shares of				
Baht 10 each				
	73,557,618		73,557,618	
6,074,143,747 ordinary shares of				
Baht 10 each				
		60,741,437		60,741,437
PREMIUM ON ORDINARY SHARES	52,878,749	13,802,216	52,878,749	13,802,216
OTHER RESERVES	2,224,952	7,337,670	2,197,593	7,310,755
RETAINED EARNINGS				
Appropriated				
Legal reserve				
	2,877,700	2,877,700	2,877,700	2,877,700
Unappropriated				
	52,197,039	46,451,470	28,025,119	27,176,968
TOTAL BANK'S EQUITY	183,736,058	131,210,493	159,536,779	111,909,076
NON-CONTROLLING INTEREST	571,837	459,514	-	-
TOTAL EQUITY	184,307,895	131,670,007	159,536,779	111,909,076
TOTAL LIABILITIES AND EQUITY	1,612,309,750	1,211,361,618	1,557,649,132	1,126,740,446

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Nopporn Tirawattanagool)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
INTEREST INCOME (Note 7.28)	20,400,671	18,352,005	14,274,306	11,985,522
INTEREST EXPENSES (Note 7.29)	6,606,252	6,475,845	6,344,131	5,977,100
INTEREST INCOME, NET	13,794,419	11,876,160	7,930,175	6,008,422
FEES AND SERVICE INCOME	5,509,468	4,632,986	2,643,955	2,131,136
FEES AND SERVICE EXPENSES	1,293,527	1,042,954	640,588	482,515
FEES AND SERVICE INCOME, NET (Note 7.30)	4,215,941	3,590,032	2,003,367	1,648,621
GAINS ON TRADING AND FOREIGN EXCHANGE				
TRANSACTIONS, NET (Note 7.31)	748,887	350,819	750,991	350,188
GAINS ON INVESTMENTS, NET (Note 7.32)	151,638	115,440	151,638	113,712
SHARE OF PROFIT FROM INVESTMENT FOR USING				
EQUITY METHOD	79,218	58,396	-	-
DIVIDEND INCOME	28,019	48,045	27,843	9,765,935
BAD DEBTS RECOVERIES	718,501	686,554	26,925	10,283
GAINS ON SALE PROPERTIES FOR SALE	346,515	114,758	120,905	61,250
OTHER OPERATING INCOME	210,720	396,524	238,512	90,761
TOTAL OPERATING INCOME	20,293,858	17,236,728	11,250,356	18,049,172
OTHER OPERATING EXPENSES				
Employee's expenses	4,620,569	4,004,347	3,345,747	2,563,730
Directors' remuneration	13,283	12,545	12,258	11,574
Premises and equipment expenses	1,686,858	1,586,261	1,313,738	1,182,744
Taxes and duties	648,579	569,277	476,851	405,567
Others	2,584,384	2,303,846	1,368,502	1,105,426
Total other operating expenses	9,553,673	8,476,276	6,517,096	5,269,041
IMPAIRMENT LOSS OF LOANS AND				
DEBT SECURITIES (Note 7.33)	5,217,359	4,254,605	2,220,246	950,000
PROFIT FROM OPERATING BEFORE				
INCOME TAX EXPENSES	5,522,826	4,505,847	2,513,014	11,830,131
INCOME TAX EXPENSES (Note 7.34)	1,114,940	1,004,592	491,300	426,671
NET PROFIT	4,407,886	3,501,255	2,021,714	11,403,460

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015
"UNAUDITED"

BAHT : '000

	CONSOLIDATED		THE BANK'S		
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
	2015	2014	2015	2014	
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Loss arising from translating the financial statements of a foreign operation	2,136	-	-	-	
Gain on remeasuring available-for-sales investment	91,611	535,311	91,611	527,209	
Related income tax (Note 7.35)	(18,323)	(107,062)	(18,323)	(105,442)	
Total other comprehensive income, net	75,424	428,249	73,288	421,767	
TOTAL COMPREHENSIVE INCOME	4,483,310	3,929,504	2,095,002	11,825,227	
NET PROFIT ATTRIBUTABLE					
Owners of the Bank	4,349,275	3,460,392	2,021,714	11,403,460	
Non-controlling interest	58,611	40,863	-	-	
	4,407,886	3,501,255	2,021,714	11,403,460	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank	4,424,058	3,888,641	2,095,002	11,825,227	
Non-controlling interest	59,252	40,863	-	-	
	4,483,310	3,929,504	2,095,002	11,825,227	
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	0.59	0.57	0.27	1.88
DILUTED EARNINGS PER SHARE	BAHT	0.59	0.57	0.27	1.88
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	7,355,761,773	6,074,143,747	7,355,761,773	6,074,143,747

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Nopporn Tirawattanagool)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
INTEREST INCOME (Note 7.28)	41,177,019	36,626,969	28,832,180	23,874,311
INTEREST EXPENSES (Note 7.29)	13,525,854	13,254,163	12,894,030	12,201,931
INTEREST INCOME, NET	27,651,165	23,372,806	15,938,150	11,672,380
FEES AND SERVICE INCOME	11,080,990	9,124,036	5,495,887	4,256,207
FEES AND SERVICE EXPENSES	2,573,353	2,086,626	1,302,520	1,002,440
FEES AND SERVICE INCOME, NET (Note 7.30)	8,507,637	7,037,410	4,193,367	3,253,767
GAINS ON TRADING AND FOREIGN EXCHANGE				
TRANSACTIONS, NET (Note 7.31)	1,190,256	775,540	1,195,837	776,493
GAINS ON INVESTMENTS, NET (Note 7.32)	430,993	139,996	430,993	138,268
SHARE OF PROFIT FROM INVESTMENT FOR USING				
EQUITY METHOD	185,522	120,361	-	-
DIVIDEND INCOME	95,045	130,558	94,869	9,848,448
BAD DEBTS RECOVERIES	1,435,807	1,399,430	45,861	19,651
GAINS ON SALE PROPERTIES FOR SALE	491,023	231,736	161,035	121,992
OTHER OPERATING INCOME	425,706	615,180	453,350	174,943
TOTAL OPERATING INCOME	40,413,154	33,823,017	22,513,462	26,005,942
OTHER OPERATING EXPENSES				
Employee's expenses	9,195,296	8,039,162	6,661,719	5,142,614
Directors' remuneration	24,198	21,814	22,128	19,825
Premises and equipment expenses	3,383,343	3,170,549	2,623,334	2,364,233
Taxes and duties	1,283,441	1,146,339	931,843	813,254
Others	4,988,533	4,404,081	2,688,064	2,179,510
Total other operating expenses	18,874,811	16,781,945	12,927,088	10,519,436
IMPAIRMENT LOSS OF LOANS AND				
DEBT SECURITIES (Note 7.33)	10,470,023	8,338,527	4,879,860	1,850,000
PROFIT FROM OPERATING BEFORE				
INCOME TAX EXPENSES	11,068,320	8,702,545	4,706,514	13,636,506
INCOME TAX EXPENSES (Note 7.34)	2,281,102	1,898,543	928,267	776,521
NET PROFIT	8,787,218	6,804,002	3,778,247	12,859,985

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

		CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2015	2014	2015	2014
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified subsequently to profit or loss:					
Loss arising from translating the financial statements of a foreign operation		1,213	-	-	-
Gain on remeasuring available-for-sales investment		215,537	1,250,052	215,537	1,247,712
Related income tax (Note 7.35)		(43,108)	(250,010)	(43,108)	(249,543)
Total other comprehensive income, net		173,642	1,000,042	172,429	998,169
TOTAL COMPREHENSIVE INCOME		8,960,860	7,804,044	3,950,676	13,858,154
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		8,675,259	6,726,653	3,778,247	12,859,985
Non-controlling interest		111,959	77,349	-	-
		8,787,218	6,804,002	3,778,247	12,859,985
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		8,848,537	7,726,695	3,950,676	13,858,154
Non-controlling interest		112,323	77,349	-	-
		8,960,860	7,804,044	3,950,676	13,858,154
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	1.18	1.11	0.51	2.12
DILUTED EARNINGS PER SHARE	BAHT	1.18	1.11	0.52	2.12
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	7,327,438,723	6,074,143,747	7,327,438,723	6,074,143,747

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Nopporn Tirawattanagool)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS										
	Owners of the Bank								Non-	Total	
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total Bank's Equity	Controlling Interest		
			Asset	Revaluation	Foreign	Deficit from Business	Appropriated				Unappropriated
			Appraisal Surplus	Surplus (deficit) on Investments	Currency Translation	Combination under Common Control	Legal Reserve				
Balance as of January 1, 2014	60,741,437	13,802,216	6,672,878	(100,442)	-	-	2,042,700	38,115,540	121,274,329	278,899	121,553,228
Change in revaluation surplus	-	-	(157,996)	-	-	-	-	157,996	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	-	(2,429,657)	(2,429,657)	(46)	(2,429,703)
Total comprehensive income	-	-	-	1,000,042	-	-	-	6,726,653	7,726,695	77,349	7,804,044
Change in shareholding in subsidiary company	-	-	-	-	-	-	-	24	24	(34)	(10)
Balance as of June 30, 2014	60,741,437	13,802,216	6,514,882	899,600	-	-	2,042,700	42,570,556	126,571,391	356,168	126,927,559
Balance as of January 1, 2015 as previously reported	60,741,437	13,802,216	6,390,131	947,098	441	-	2,877,700	46,451,470	131,210,493	459,514	131,670,007
Effects on application of the new accounting policy (Note 3)	-	-	-	-	-	-	-	(55,626)	(55,626)	-	(55,626)
Balance as of January 1, 2015 as adjusted	60,741,437	13,802,216	6,390,131	947,098	441	-	2,877,700	46,395,844	131,154,867	459,514	131,614,381
Issue of ordinary shares related to business combination	12,816,181	39,076,533	-	-	-	(5,217,755)	-	-	46,674,959	-	46,674,959
Change in revaluation surplus	-	-	(68,241)	-	-	-	-	68,241	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	-	(2,942,305)	(2,942,305)	-	(2,942,305)
Total comprehensive income	-	-	-	172,429	849	-	-	8,675,259	8,848,537	112,323	8,960,860
Balance as of June 30, 2015	73,557,618	52,878,749	6,321,890	1,119,527	1,290	(5,217,755)	2,877,700	52,197,039	183,736,058	571,837	184,307,895

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

	THE BANK'S FINANCIAL STATEMENTS						
	Issued and	Premium	Other reserves			Retained Earnings	
	Paid-up	on Share	Asset	Revaluation	Deficit from Business	Appropriated	Total
	Share	Capital	Appraisal	Surplus (deficit)	Combination under	Legal	
	Capital		Surplus	on Investments	Common Control	Reserve	
Balance as of January 1, 2014	60,741,437	13,802,216	6,645,590	(113,709)	-	2,042,700	99,386,848
Change in revaluation surplus	-	-	(157,591)	-	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	(2,429,657)
Total comprehensive income	-	-	-	998,169	-	-	13,858,154
Balance as of June 30, 2014	60,741,437	13,802,216	6,487,999	884,460	-	2,042,700	110,815,345
Balance as of January 1, 2015 as previously reported	60,741,437	13,802,216	6,363,657	947,098	-	2,877,700	111,909,076
Effects on application of the new accounting policy (Note 3)	-	-	-	-	-	-	(55,627)
Balance as of January 1, 2015 as adjusted	60,741,437	13,802,216	6,363,657	947,098	-	2,877,700	111,853,449
Issue of ordinary shares related to business combination	12,816,181	39,076,533	-	-	(5,217,755)	-	46,674,959
Change in revaluation surplus	-	-	(67,836)	-	-	-	-
Dividend payment (Note 7.20.3)	-	-	-	-	-	-	(2,942,305)
Total comprehensive income	-	-	-	172,429	-	-	3,950,676
Balance as of June 30, 2015	73,557,618	52,878,749	6,295,821	1,119,527	(5,217,755)	2,877,700	159,536,779

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Nopporn Tirawattanagool)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	11,068,320	8,702,545	4,706,514	13,636,506
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	1,641,411	1,670,335	1,034,358	1,107,718
Deferred interest expenses	1,327	2,066	1,327	2,066
Bad debt and doubtful accounts	9,891,029	7,611,009	4,998,320	1,886,982
Losses on debt restructuring (reversal)	578,994	727,518	(118,460)	(36,982)
Gains on translation in foreign currencies	(656,917)	(143,580)	(656,917)	(143,580)
Share of profit from investment for using equity method	(185,522)	(120,361)	-	-
Gains on investments	(430,993)	(139,996)	(430,993)	(138,268)
Increase (decrease) in discount on investments	45,825	(25,198)	45,825	(25,402)
Gains on sales of properties for sale	(491,023)	(231,736)	(161,035)	(121,992)
(Gains) losses on sales of premises and equipment	(11,322)	(7,693)	1,533	(945)
Loss on impairment of properties for sale (reversal)	(73,920)	173,929	(84,588)	3,620
Loss on impairment of premises and equipment	2,239	68	-	-
Loss on impairment of other assets	18,459	80,874	49,438	12,983
Provision for contingent liabilities	62,360	66,292	62,360	66,292
Increase in other reserves	367,813	194,020	327,339	87,574
Interest income, net	(27,651,165)	(23,372,806)	(15,938,150)	(11,672,380)
Income tax refunded	16,409	-	-	-
Interest received	41,121,235	36,827,809	28,858,228	24,207,794
Interest paid	(13,391,053)	(13,549,204)	(12,703,096)	(12,465,316)
Dividend income	(95,045)	(130,558)	(94,869)	(9,848,448)
Dividend received	96,405	129,193	95,367	127,144
Decrease in other accrued expenses	(135,919)	(351,048)	(240,911)	(380,933)
Income tax paid	(2,613,473)	(2,694,904)	(1,334,319)	(911,026)
Income from operations before changes in				
operating assets and liabilities	19,175,474	15,418,574	8,417,271	5,393,407
(Increase) decrease in operating assets				
Interbank and money market items	16,216,683	(13,051,850)	16,205,054	(11,627,220)
Derivatives assets	(476,902)	3,109,981	(476,902)	3,109,981
Current investments - securities for trading	1,706,830	(8,482,304)	2,002,853	(8,480,304)
Loans to customers	(9,491,594)	(9,539,378)	(31,006,538)	(1,775,446)
Properties for sale	4,398,311	516,483	1,213,298	287,497
Other assets	(3,558,379)	3,884,542	(3,676,752)	1,938,506

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	22,454,972	19,764,567	22,086,412	19,297,771
Interbank and money market items	1,842,545	878,046	2,309,763	876,209
Liability payable on demand	1,135,481	687,144	1,135,481	687,144
Derivatives liabilities	2,958,006	(3,741,552)	2,958,006	(3,741,552)
Other liabilities	3,019,815	(4,928,643)	4,689,044	(1,113,898)
Net cash from operating activities	59,381,242	4,515,610	25,856,990	4,852,095
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	64,530,024	22,153,425	64,530,024	22,151,697
Cash paid for purchases of investments in securities	(31,955,452)	(18,432,263)	(31,955,452)	(18,432,263)
Cash paid for investment in subsidiaries	-	-	-	(18,400,000)
Dividend received from subsidiaries	-	-	51	9,719,940
Proceeds from sales of premises and equipment	129,351	41,801	3,001	1,592
Cash paid for purchases of premises and equipment	(1,852,027)	(797,556)	(1,562,615)	(552,131)
Cash paid for purchases of other assets	(757,931)	(212,673)	(686,449)	(166,408)
Net cash from investing activities	30,093,965	2,752,734	30,328,560	(5,677,573)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	145,885,490	140,689,420	144,435,490	115,839,800
Cash paid for repayment of debts issued and borrowings	(236,084,775)	(148,709,642)	(201,253,769)	(114,678,642)
Proceeds from business combination	71,767	-	71,767	-
Cash paid for repayment of liabilities under finance lease agreements	(15,952)	(14,299)	(15,952)	(14,299)
Dividend payment	(2,942,305)	(2,429,703)	(2,942,305)	(2,429,657)
Net cash from financing activities	(93,085,775)	(10,464,224)	(59,704,769)	(1,282,798)
Total	(3,610,568)	(3,195,880)	(3,519,219)	(2,108,276)
Gains arising from translating the financial statements of a foreign operation	849	-	-	-
Effect of exchange rate change on cash	13,216	(11,616)	13,216	(11,616)
Net decrease in cash and cash equivalents	(3,596,503)	(3,207,496)	(3,506,003)	(2,119,892)
Cash and cash equivalents as at January 1,	34,198,183	30,031,231	31,077,762	28,167,503
Cash and cash equivalents as at June 30,	30,601,680	26,823,735	27,571,759	26,047,611

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Nopporn Tirawattanagool)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2015

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2015

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. The Ministry of Commerce granted approval for the Bank and its subsidiaries to operate businesses under Foreign Business Act B.E. 2542 on September 26, 2014. As at June 30, 2015 and December 31, 2014, the Bank has 16 subsidiaries as follows:

- 1.1 Ayudhya Development Leasing Company Limited, was incorporated in Thailand on July 25, 1991 and is located at 65/182-185, 22nd Floor, Chamnan Phenjati Business Center, Rama IX Road, Huaykwang Subdistrict, Huaykwang District, Bangkok. The subsidiary’s main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited, was incorporated in Thailand on November 27, 1995 and is located at 87/2, 26th, 30th and 48th Floor, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary’s main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 CFG Services Company Limited, was incorporated in Thailand on October 24, 2006, and is located at 89/170, 4th, 5th, 9th and 10th Floor, Juthamard Building, Viphavadi Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok. The subsidiary’s main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.
- 1.4 Ayudhya Card Services Company Limited, was incorporated in Thailand on December 4, 1997 and is located at 1222, 5th A Floor, Building C, Bank of Ayudhya, Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary’s main business is credit cards and personal loans. Currently, the subsidiary is in process of liquidation.
- 1.5 Ayudhya Capital Services Company Limited, was incorporated in Thailand on November 9, 1994 and is located at 87/1, 1st-6th and 8th-10th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.6 General Card Services Limited, was incorporated in Thailand on January 24, 1995 and is located at 87/1, 1st-6th and 8th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.

- 1.7 Krungsriayudhya Card Company Limited, was incorporated in Thailand on August 29, 1996 and is located at 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.8 Siam Realty and Services Company Limited, was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car rental services and personnel services.
- 1.9 Total Services Solutions Public Company Limited, was incorporated as a public company limited in Thailand on May 19, 1997 and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.
- 1.10 Krungsri Asset Management Company Limited, was incorporated in Thailand on December 19, 1996 and is located at 898, 1st-2nd zone A, 12th and 18th Floor zone B, Ploenchit Tower Building, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.11 Krungsri Ayudhya AMC Limited, was incorporated in Thailand on August 18, 2000 and is located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from financial institutions.
- 1.12 Krungsri Securities Public Company Limited, was incorporated in Thailand on April 16, 2004 and is located at 898, 3rd Floor, Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities businesses.
- 1.13 Krungsri Factoring Company Limited, was incorporated in Thailand on February 1, 2007 and is located at 1222 Rama III Road, Bang Pongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring.
- 1.14 Krungsri Life Assurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.
- 1.15 Krungsri General Insurance Broker Company Limited, which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and is located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.

- 1.16 Krungsri Leasing Services Company Limited, which are owned by Ayudhya Capital Services Company Limited of 35% and Ayudhya Capital Auto Lease Public Company Limited of 35%, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014 and is located at 355, Unit 12, Kamphengmeung Road, Phonthan Village, Sayseththa District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions (FAP), the regulation of the Thai Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2014) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification Sor.Nor.Sor. 11/2553 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

The interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The interim financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for the convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

- 2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at	
			June 30, 2015	December 31, 2014
Subsidiaries				
Ayudhya Development Leasing Company Limited	Leasing and hire-purchase	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
CFG Services Company Limited	Hire-purchase and motorcycle loans	Thailand	100.00	100.00
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Thailand	100.00	100.00

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%)	
			As at	
			June 30, 2015	December 31, 2014
Subsidiaries (cont'd)				
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Service Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	98.71	98.71
Krungsri Factoring Company Limited	Factoring	Thailand	100.00	100.00
Krungsri Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited ⁽²⁾	General insurance broker	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited ⁽³⁾	Hire-purchase, leasing and sales finance	Lao PDR	70.00	70.00

⁽¹⁾ Subsidiary is in the process of liquidation.

⁽²⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%

⁽³⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 35% and Ayudhya Capital Auto Lease Public Company Limited of 35%

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2015, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards (TFRSs) issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after January 1, 2015. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards (TAS)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events After the Reporting Period
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 27 (Revised 2014)	Separate Financial Statements

Thai Accounting Standards (TAS)

TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets

Thai Financial Reporting Standards (TFRS)

TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Standards Interpretations (TSIC)

TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (TFRIC)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2014)	Distributions of Non – cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers

The above TFRSs have no material impact to the Bank and its subsidiaries' financial statements except for the followings

New and revised TFRSs on Consolidated and Separate Financial Statements, Investment in Associates and Joint Ventures, Joint Arrangements and Disclosure of Interests in Other Entities

In December 2014, the Federation of Accounting Professions issued a package of five TFRSs comprising: TFRS 10 “Consolidated Financial Statement”, TFRS 11 “Joint Arrangements”, TFRS 12 “Disclosure of Interests in Other Entities”, TAS 27 (Revised 2014) “Separate Financial Statements” and TAS 28 (Revised 2014) “Investments in Associates and Joint Ventures” to be effective to the financial statements for the period beginning on or after January 1, 2015 onwards.

From the assessment, TAS 27 (Revised 2014) “Separate Financial Statement” has no impact as this TFRSs applies to only the Bank's financial statements. For four remaining new and revised standards, the Bank and its subsidiaries have reviewed its investments in other entities to assess whether the conclusion to consolidate, classification and accounting for the investments are different from the previous TFRSs and what the additional financial disclosure are. No significant differences are found except for the classification of investment in Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited as investment in joint venture in accordance with TFRS 11 “Joint Arrangements” as disclosed in Note 7.5 and per the accounting policy below. As investment in joint venture shall be accounted for using the cost method in the separate financial statements in accordance with TAS 27 “Separate Financial Statements” and equity method in the consolidated financial statements in accordance with TAS 28 (Revised 2014) “Investment in Associates and Joint Venture” the same as the accounting treatment applied when such investments were previously presented as investment in associates, there is no financial impact from this change.

Accounting policy for joint arrangement

A joint arrangement is an arrangement over which two or more parties have joint control. Investment in joint arrangement is classified as either joint operation or joint ventures, depending on the legal form, contractual rights and obligations, other factors and circumstances. The accounting for investment in joint operation, the entity recognizes its direct right to the (and its share of) jointly held assets, liabilities, revenues and expenses of joint operation while investment in joint venture is accounted for using the equity method.

New TFRSs on fair value measurement

TFRS 13 “Fair Value Measurement” defines fair value, set out a single fair value measurement framework and disclosure requirements. This TFRS applies to both financial and non-financial instrument items for which other TFRSs require or permit fair value measurements and disclosures about fair value measurements except for certain items as detailed in TFRS.

In order to comply with TFRS 13, the counterparty's credit risk is required to be reflected in the fair value measurement as the credit valuation adjustment (CVA). CVA is an estimate of the adjustment to fair value of derivative products to account for the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions. CVA is calculated by taking the expected exposure (EE) multiply by probability of default (PD) and loss given default (LGD). The Bank and its subsidiaries have recognized the effect of this first time adoption by adjusting to the beginning retained earnings balance as at January 1, 2015 as allowed by TFRS on the transitional application as follows:

	Unit: Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS 2015	THE BANK'S FINANCIAL STATEMENTS 2015
Retained earnings - Unappropriated		
Beginning balance as at January 1 before application of new accounting policy	46,451	27,177
Decrease in derivative assets	(70)	(70)
Increase in deferred tax assets	14	14
Beginning balance as at January 1 after application of new accounting policy	<u>46,395</u>	<u>27,121</u>
Derivative assets		
Beginning balance as at January 1 before application of new accounting policy	2,653	2,653
Decrease in derivative assets	(70)	(70)
Beginning balance as at January 1 after application of new accounting policy	<u>2,583</u>	<u>2,583</u>
Deferred tax assets		
Beginning balance as at January 1 before application of new accounting policy	4,983	485
Increase in deferred tax assets	14	14
Beginning balance as at January 1 after application of new accounting policy	<u>4,997</u>	<u>499</u>

Disclosure requirement of TFRS 13

Disclosure requirement of TFRS 13 needs not be applied in comparative information provided for period before the initial application. Therefore, the disclosure of fair value measurement for the balance as at December 31, 2014 has not been made for comparative purpose. The Bank and its subsidiaries' certain financial assets and liabilities are measured at fair value as at June 30, 2015. The information relating to fair value measurement is summarized in the Note 5.5.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 3, 2010.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Investments

The Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification dated December 3, 2010 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry, requiring commercial banks to present the investments as investments, net and investments in subsidiaries and associates companies, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market value. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of profit or loss and other comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and dividend income, respectively.

Debt securities which the Bank and subsidiaries have the intention and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale, disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of profit or loss and other comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associated companies are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associated companies are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of profit or loss and other comprehensive income.

Cost of securities sold during the period is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of profit or loss and other comprehensive income.

4.3 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivable and finance lease receivable are carried at contract amount plus initial direct cost.

Other loans are stated at the principal amounts.

Unearned discount from notes are presented in deferred revenue.

Unearned interest income and deferred subsidy income on hire-purchase contract and financial lease are presented in deferred revenue and recognized by the effective interest rate method.

Initial direct cost is recognized by the effective interest rate method.

4.4 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which excludes collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Allowance for doubtful accounts for hire-purchase receivables of the Bank and its subsidiaries are calculated by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Loans to customers are written-off in the period that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debt and doubtful accounts are shown as expenses in the statements of profit or loss and other comprehensive income.

Bad debt recovery is recorded as income in the statements of profit or loss and other comprehensive income when received.

4.5 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of profit or loss and other comprehensive income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method to estimate a loss amount and the net present value method which represents expected future cash flows by applying the discounted market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of profit or loss and other comprehensive income.

The Bank has recalculated the fair value of restructured debts in every month based on the discounted market interest rate as of the processing date and based on the discounted market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted interest rate at contractual rate. The Bank adjusts the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior to January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of profit or loss and other comprehensive income for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

4.6 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

4.7 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank and its subsidiaries' suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50 years
Equipment, furniture, fixtures, office equipment and vehicle	3 - 10 years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expenses in the statements of profit or loss and other comprehensive income.

4.8 Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

4.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 5 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network, are calculated by the projected cash flow over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.10 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis, except interest income on hire-purchase contract is recognized by the effective interest rate method.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are required by the BOT to stop accruing interest income for debtors when more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on a cash basis.

The asset management subsidiary recognizes interest income from investment in receivable and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivable and loans on a cash basis.

The hire-purchase business recognize income for finance leases and hire-purchase contracts by the effective interest rate method.

4.11 Recognition of expenses

The Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

4.12 Employee benefits

The Bank and subsidiaries have 3 types of employee benefits as follows:

4.12.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Every employee is required to make contribution at the rate of not less than 3% of salary but not more than the Bank and subsidiaries' contribution.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.12.2 Post-employment benefit obligations

- Pension plan

The employees who were hired prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the Bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

4.12.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statement of financial position and employee's expenses in the statement of profit or loss and other comprehensive income when the employees render the service.

4.13 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and comprehensive income.

4.14 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per points.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.15 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

4.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Income tax expenses or income related to profit or loss are presented in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

4.16 Earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the period.

4.17 Foreign currency transactions

4.17.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

4.17.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operation are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operation are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under shareholders equity.

4.18 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

4.18.1 Derivatives for trading are recorded at fair value and profit or loss from the price appraisal is recognized as income or expense in the statements of profit or loss and other comprehensive income.

4.18.2 Derivatives for hedging are recorded and profit or loss from the price appraisal are recognized as income or expense based on the accrual basis in line with the underlying transactions.

5. RISK MANAGEMENT

5.1 Information of risk of the Bank

Through financial instruments both on-statement of financial position and off-statement of financial position, the Bank conducts its normal course of business to meet the financing needs of its customers, as well as for its investment purposes and to reduce exposure due to the fluctuations in foreign exchange rates and interest rates. The off-statement of financial position's financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contract or notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The introduction of new derivative products require an approval from the Board of Directors. Operating processes, including the breach of prescribed limits, and risk control are governed under the Derivatives Product Program and BOT's notification regarding guidelines on risk management for derivatives transactions.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank reviews the policy on a regular basis and the Bank has adopted the policy in dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of allowance for doubtful accounts (see Note 7.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position's financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-statement of financial position's financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for the on-statement of financial position's financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings and the shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from mismatch in repricing rates of its assets, liabilities and contingencies.

Interest rate risk management is carried out by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO), which have been empowered by the Board of Directors with the authority to manage interest rate risk. ALCO is responsible for determining interest rate risk management, together with monitoring and controlling interest rate risk to ensure that it is at an acceptable risk appetite and in line with the interest rate risk management policy as approved by the Board of Directors. Bank will review such policy on a regular basis to commensurate with operating environments and changes in business.

The Bank employs various tools and method for its interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position and Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

Foreign exchange rate risk

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from exchange rate fluctuations that affected foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap its net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. In addition, the Bank enters into forward foreign exchange contracts as part of its risk management strategy of the foreign exchange risk arising from the Bank underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency under an acceptable risk level and regularly reviews to be in line with business strategy and change in market circumstance, meanwhile the RMC and ALCO ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as the tool to manage the exchange rate risk and prepares a report on regular basis for the Bank's top management in the relevant departments.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purposed. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and reviews it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a report on regular basis for the Bank's management in relevant departments.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of its inability to convert assets into cash, or its failure to procure enough fund, or, if it can, that the fund comes with an exceptionally high cost that may affect incomes and capital fund now and in the future.

The Bank has established the liquidity risk management policy and the liquidity management guideline. In addition, liquidity contingency plan and guideline are formulated and conducted a plan testing to ensure readiness to deal with crisis situations. All of these are aimed at ensuring the efficiency of the Bank's liquidity risk management.

The Bank maintains an excess liquidity cushion at a level commensurate with the economic situation. The Bank seeks to ensure that there is adequate cash for its business and its subsidiaries' business operations. In addition, the maintenance of liquid assets is to comply with the BOT's requirements. Liquidity management utilizes qualitative and quantitative methods to ensure of appropriate risk diversification. Liquidity risk management of Bank is under the supervision of the ALCO. ALCO also monitors and manages liquidity risk to ensure that it is at an acceptable risk appetite and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank reviews such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

BOT has required commercial banks to prepare and submit the liquidity risk reports in accordance with the Basel III guidelines, namely, Report on Liquidity Coverage Ratio (LCR) and Report on Net Stable Funding Ratio (NSFR) so that the BOT can use the information for analyzing the impact and developing an appropriate guideline for Thailand going forward. In 2014, Bank has been assessing impacts of compliance, continuously monitoring the progress of Basel III implementation, calculating and reporting on a regular basis LCR and NSFR ratios to relevant committee in order to ensure that compliance will not have any impact on the liquidity risk management of the Bank and Consolidation

5.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries' financial assets and liabilities classified by maturity of interest repricing as at June 30, 2015 and December 31, 2014 are summarized as follows :

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
June 30, 2015							
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	Non- Interest Bearing	Total
Financial assets							
Interbank and money market items, net	116,809	8,755	-	-	-	55,002	180,566
Investments, net	31,826	11,242	56,758	3,476	-	5,793	109,095
Loans to customers	676,861	183,997	283,545	16,363	31,774	52,330	1,244,870
Financial liabilities							
Deposits	693,198	281,845	4,501	22	-	27,749	1,007,315
Interbank and money market Items, net	258,041	258	8,701	-	-	3,056	270,056
Debt issued and borrowings	29,719	15,700	21,040	14,838	-	-	81,297

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2014							
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	Non- Interest Bearing	Total
Financial assets							
Interbank and money market items, net	62,621	48	-	-	-	17,695	80,364
Investments, net	5,461	3,792	40,889	5,680	-	4,751	60,573
Loans to customers	601,132	116,231	196,846	8,369	29,988	60,195	1,012,761
Financial liabilities							
Deposits	613,893	199,007	4,422	-	-	20,234	837,556
Interbank and money market Items, net	25,697	6,437	10,621	-	-	3,857	46,612
Debt issued and borrowings	47,328	46,369	23,264	34,844	-	-	151,805

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2015

	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	Non- Interest Bearing	Total
Financial assets							
Interbank and money market items, net	114,569	8,693	-	-	-	54,274	177,536
Investments, net	31,827	11,242	56,758	3,476	-	5,776	109,079
Loans to customers	688,667	159,154	267,737	15,713	19,266	1,561	1,152,098
Financial liabilities							
Deposits	697,585	282,671	4,501	22	-	28,359	1,013,138
Interbank and money market Items, net	260,140	259	8,701	-	-	3,068	272,168
Debt issued and borrowings	25,249	6,530	13,517	14,844	-	-	60,140

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2014

	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	Non- Interest Bearing	Total
Financial assets							
Interbank and money market items, net	60,578	48	-	-	-	16,584	77,210
Investments, net	5,461	3,792	40,889	5,678	-	5,032	60,852
Loans to customers	621,450	76,752	166,972	7,533	16,452	1,031	890,190
Financial liabilities							
Deposits	619,065	199,015	4,422	-	-	21,246	843,748
Interbank and money market Items, net	27,311	6,468	10,621	-	-	3,857	48,257
Debt issued and borrowings	28,393	21,010	13,021	34,844	-	-	97,268

5.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the six-month periods ended June 30, 2015 and 2014.

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	June 30, 2015			June 30, 2014		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	145,276	1,630	2.2	92,004	1,235	2.7
Investments	97,330	1,314	2.7	71,016	1,093	3.1
Loans to customers	1,201,097	38,233	6.4	937,244	34,299	7.3
Total	<u>1,443,703</u>	<u>41,177</u>		<u>1,100,264</u>	<u>36,627</u>	
Interest bearing financial liabilities						
Deposits	949,322	10,403	2.2	758,649	9,575	2.5
Interbank and money market items	203,728	722	0.7	64,057	683	2.1
Debt issued and borrowings	135,216	2,401	3.6	163,831	2,996	3.7
Total	<u>1,288,266</u>	<u>13,526</u>		<u>986,537</u>	<u>13,254</u>	

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
	June 30, 2015			June 30, 2014		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	143,175	1,612	2.3	90,588	1,224	2.7
Investments	97,036	1,311	2.7	70,837	1,091	3.1
Loans to customers	1,094,303	25,909	4.7	816,567	21,559	5.3
Total	<u>1,334,514</u>	<u>28,832</u>		<u>977,992</u>	<u>23,874</u>	
Interest bearing financial liabilities						
Deposits	954,714	10,408	2.2	761,533	9,577	2.5
Interbank and money market items	205,601	731	0.7	65,224	691	2.1
Debt issued and borrowings	98,391	1,755	3.6	101,698	1,934	3.8
Total	<u>1,258,706</u>	<u>12,894</u>		<u>928,455</u>	<u>12,202</u>	

5.4 Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at June 30, 2015 and December 31, 2014.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
June 30, 2015								
	Call	Not Over	Greater than	Greater than	Greater than	Non-Performing	No	Total
		3 Months	3 - 12 Months	1 - 5 Years	5 Years	Loans	Maturity	
Financial assets								
Interbank and money								
market items, net	69,174	64,806	24,980	21,484	-	-	122	180,566
Investments, net	-	3,946	35,322	61,022	4,159	-	4,646	109,095
Loans to customers	35,799	210,571	241,793	506,707	218,226	31,774	-	1,244,870
Financial liabilities								
Deposits	530,541	190,408	281,770	4,574	22	-	-	1,007,315
Interbank and money								
market items, net	9,642	251,454	259	8,701	-	-	-	270,056
Debt issued and borrowings	-	28,719	16,700	21,040	14,838	-	-	81,297

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
December 31, 2014								
	Call	Not Over	Greater than	Greater than	Greater than	Non-Performing	No	Total
		3 Months	3 - 12 Months	1 - 5 Years	5 Years	Loans	Maturity	
Financial assets								
Interbank and money								
market items, net	18,153	51,827	57	10,047	-	-	280	80,364
Investments, net	-	4,701	3,791	41,405	5,613	-	5,063	60,573
Loans to customers	36,384	200,330	166,794	376,146	203,119	29,988	-	1,012,761
Financial liabilities								
Deposits	424,700	209,427	198,988	4,441	-	-	-	837,556
Interbank and money								
market items, net	11,350	26,505	4,070	4,687	-	-	-	46,612
Debt issued and borrowings	-	47,328	46,369	23,264	34,844	-	-	151,805

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
June 30, 2015								
	Call	Not Over	Greater than	Greater than	Greater than	Non-Performing	No	Total
		3 Months	3 - 12 Months	1 - 5 Years	5 Years	Loans	Maturity	
Financial assets								
Interbank and money								
market items, net	67,957	63,054	24,920	21,484	-	-	121	177,536
Investments, net	-	3,946	35,323	61,022	4,157	-	4,631	109,079
Loans to customers	67,449	179,857	234,305	436,127	215,094	19,266	-	1,152,098
Financial liabilities								
Deposits	535,535	190,408	282,599	4,574	22	-	-	1,013,138
Interbank and money								
market items, net	11,754	251,454	259	8,701	-	-	-	272,168
Debt issued and borrowings	-	24,250	7,530	13,517	14,843	-	-	60,140

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
December 31, 2014								
	Call	Not	Greater than	Greater than	Greater than	Non-Performing	No	Total
		Over	3 - 12	1 - 5	5 Years	Loans	Maturity	
		3 Months	Months	Years				
Financial assets								
Interbank and money								
market items, net	16,250	50,576	57	10,047	-	-	280	77,210
Investments, net	-	4,701	3,791	41,405	5,908	-	5,047	60,852
Loans to customers	75,481	163,005	142,543	293,648	199,061	16,452	-	890,190
Financial liabilities								
Deposits	430,884	209,427	198,996	4,441	-	-	-	843,748
Interbank and money								
market items, net	12,964	26,505	4,101	4,687	-	-	-	48,257
Debt issued and borrowings	-	28,393	21,010	13,021	34,844	-	-	97,268

5.5 Estimated fair value of financial instruments

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most advantageous where the Bank and its subsidiaries are able to access.

Fair value measurement of financial instruments are determined according to the following hierarchy:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date
- Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable
- Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial instruments as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	June 30, 2015			December 31, 2014		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	27,667	27,667	-	31,155	31,155
Interbank and money market items, net	-	180,566	180,566	-	80,364	80,364
Derivatives assets	24,209	1,767	25,976	2,653	-	2,653
Investments, net	107,784	1,311	109,095	60,206	367	60,573
Loans to customers and accrued interest receivables, net	-	1,203,851	1,203,851	-	975,621	975,621
Total	<u>131,993</u>	<u>1,415,162</u>	<u>1,547,155</u>	<u>62,859</u>	<u>1,087,507</u>	<u>1,150,366</u>
Financial liabilities:						
Deposits	-	1,007,315	1,007,315	-	837,556	837,556
Interbank and money market items, net	-	270,056	270,056	-	46,612	46,612
Liability payable on demand	-	3,629	3,629	-	1,936	1,936
Derivatives liabilities	19,092	1,788	20,880	2,160	-	2,160
Debt issued and borrowings	-	81,297	81,297	-	151,805	151,805
Total	<u>19,092</u>	<u>1,364,085</u>	<u>1,383,177</u>	<u>2,160</u>	<u>1,037,909</u>	<u>1,040,069</u>

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
	June 30, 2015			December 31, 2014		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	27,572	27,572	-	31,078	31,078
Interbank and money market items, net	-	177,536	177,536	-	77,210	77,210
Derivatives assets	24,209	1,767	25,976	2,653	-	2,653
Investments, net	107,784	1,295	109,079	60,502	350	60,852
Loans to customers and accrued interest receivables, net	-	1,129,295	1,129,295	-	871,387	871,387
Total	<u>131,993</u>	<u>1,337,465</u>	<u>1,469,458</u>	<u>63,155</u>	<u>980,025</u>	<u>1,043,180</u>
Financial liabilities:						
Deposits	-	1,013,138	1,013,138	-	843,748	843,748
Interbank and money market items, net	-	272,168	272,168	-	48,257	48,257
Liability payable on demand	-	3,629	3,629	-	1,936	1,936
Derivatives liabilities	19,092	1,788	20,880	2,160	-	2,160
Debt issued and borrowings	-	60,140	60,140	-	97,268	97,268
Total	<u>19,092</u>	<u>1,350,863</u>	<u>1,369,955</u>	<u>2,160</u>	<u>991,209</u>	<u>993,369</u>

Financial instruments measured at fair value

Classification of financial instruments measured at fair value by the level of fair value hierarchy as at June 30, 2015 is summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	Fair value			Carrying amount	Fair value			Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets -								
trading book	-	24,209	24,209	24,209	-	24,209	24,209	24,209
Trading investments	-	4,277	4,277	4,277	-	4,277	4,277	4,277
Available-for-sale investment	2,895	100,612	103,507	103,507	2,895	100,612	103,507	103,507
Derivative liabilities								
- trading book	-	19,092	19,092	19,092	-	19,092	19,092	19,092

There are no significant transfers of financial assets and liabilities measured at fair value between level 1 and level 2 during the six-month period ended June 30, 2015.

Valuation technique for financial instrument measured at fair value are as follows:

Derivative - trading book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the Stock Exchange of Thailand ("SET"), the fair value is determined by using the last bid price of SET.

Investment in unit trust not listed in SET, the fair value is determined by using the last bid price announced by the asset management company.

Financial instruments not measured at fair value

Fair value of financial instruments which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

					Unit: Million Baht	
CONSOLIDATED FINANCIAL STATEMENTS						
June 30, 2015					December 31, 2014	
	Fair value			Carrying amount	Fair value	Carrying amount
Level 2	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value				
Financial assets:						
Cash	-	27,667	27,667	27,667	31,155	31,155
Interbank and money market items, net	-	180,566	180,566	180,566	80,364	80,364
Derivatives assets - banking book	1,207	-	1,207	1,767	-	-
Held to maturity and general investments	-	1,311	1,311	1,311	367	367
Loans to customers and accrued interest receivables, net	-	1,203,851	1,203,851	1,203,851	975,621	975,621
Total	1,207	1,413,395	1,414,602	1,415,162	1,087,507	1,087,507
Financial liabilities:						
Deposits	1,007,889	-	1,007,889	1,007,315	837,803	837,556
Interbank and money market items, net	-	270,056	270,056	270,056	46,612	46,612
Liability payable on demand	-	3,629	3,629	3,629	1,936	1,936
Derivatives liabilities - banking book	1,948	-	1,948	1,788	-	-
Debt issued and borrowings	57,726	24,741	82,467	81,297	152,974	151,805
Total	1,067,563	298,426	1,365,989	1,364,085	1,039,325	1,037,909

THE BANK'S FINANCIAL STATEMENTS					Unit: Million Baht	
June 30, 2015					December 31, 2014	
	Fair value		Carrying amount	Fair value	Carrying amount	
Level 2	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value				
Financial assets:						
Cash	-	27,572	27,572	27,572	31,078	31,078
Interbank and money market items, net	-	177,536	177,536	177,536	77,210	77,210
Derivatives assets - banking book	1,207	-	1,207	1,767	-	-
Held to maturity and general investments	-	1,295	1,295	1,295	350	350
Loans to customers and accrued interest receivables, net	-	1,129,295	1,129,295	1,129,295	871,387	871,387
Total	1,207	1,335,698	1,336,905	1,337,465	980,025	980,025
Financial liabilities:						
Deposits	1,013,713	-	1,013,713	1,013,138	843,994	843,748
Interbank and money market items, net	-	272,168	272,168	272,168	48,257	48,257
Liability payable on demand	-	3,629	3,629	3,629	1,936	1,936
Derivatives liabilities - banking book	1,948	-	1,948	1,788	-	-
Debt issued and borrowings	36,661	24,296	60,957	60,140	98,108	97,268
Total	1,052,322	300,093	1,352,415	1,350,863	992,295	991,209

Valuation technique for financial instruments not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Held to maturity and general investments

The carrying amount of held to maturity and general investments presented in the statement of financial position is the approximated fair value.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices.

Derivative - banking book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

5.6 Capital funds

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite of the Bank.

The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the BOT which is in line with the Basel III. As at June 30, 2015 and December 31, 2014, the Bank has capital fund and capital adequacy ratio as follows:

	Unit : Million Baht	
	June 30, 2015	December 31, 2014
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	60,741
Premium on share capital	52,879	13,802
Statutory reserve	2,878	2,878
Unappropriated retained earning	24,234	23,592
Other comprehensive income	6,847	6,693
Owner changes - other	(5,218)	-
<u>Less</u> Deduction items from Common Equity Tier 1	<u>(9,414)</u>	<u>(8,719)</u>
Total Common Equity Tier 1 capital	145,764	98,987
Additional Tier 1	-	-
Total Tier 1 capital	145,764	98,987
Tier 2 capital	20,913	33,438
Total capital fund	166,677	132,425
 Total risk weighted assets	 1,211,697	 901,315

Capital adequacy ratio (%)

	BOT regulatory minimum requirement	June 30, 2015	December 31, 2014
Total Common Equity Tier 1 capital / Total risk weighted assets	4.5	12.03	10.98
Total Tier 1 capital / Total risk weighted assets	6.0	12.03	10.98
Total capital / Total risk weighted assets	8.5	13.76	14.69

The Bank discloses the capital maintenance information under the Notification of the Bank of Thailand Re : Public Disclosure of Capital Maintenance for Commercial Bank with details as follows.

Location of disclosure	www.krungsri.com
Date of disclosure	April 27, 2015
Information as at	December 31, 2014

The disclosure for the six-month period ended June 30, 2015 will be provided on or before October 31, 2015 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles requires management to make estimates and assumptions under certain circumstances. Such estimates and assumption affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements that are differed estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for doubtful accounts

The Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independently and/or internally performed appraisals.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statement date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

6.8 Significant judgement on classification of joint arrangement

Tesco Card Services Limited is a separate limited liability company that Ayudhya Capital Services Company Limited (A subsidiary of the Bank) holds 50% of interests under the joint arrangement agreement which requires unanimous consent from the parties to the agreement for the relevant activities. Furthermore, there is no contractual arrangement or any other facts and circumstances indicate that Ayudhya Capital Services Company Limited and the party to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are also separate limited liability companies that Tesco Card Services Limited wholly holds 100% of interest. Accordingly, Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions of premises and equipment for the six-month periods ended June 30 are as follows:

	CONSOLIDATED		Unit: Million Baht	
	FINANCIAL STATEMENTS		THE BANK'S	
	2015	2014	2015	2014
Premises and equipment payable at the beginning of the periods	556	291	455	226
Purchases of premises and equipment	1,439	621	1,216	367
Less Cash payment	(1,852)	(797)	(1,563)	(552)
Premises and equipment payable at the end of the periods	<u>143</u>	<u>115</u>	<u>108</u>	<u>41</u>

7.1.2 Non-cash transactions of computer software for the six-month periods ended June 30 are as follows:

	CONSOLIDATED		Unit: Million Baht	
	FINANCIAL STATEMENTS		THE BANK'S	
	2015	2014	2015	2014
Computer software payable at the beginning of the periods	300	97	283	69
Purchases of computer software	550	155	481	127
Less Cash payment	(758)	(213)	(687)	(167)
Computer software payable at the end of the periods	<u>92</u>	<u>39</u>	<u>77</u>	<u>29</u>

7.1.3 Others non-cash transactions for the six-month periods ended June 30 are as follows:

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Increase in revaluation surplus				
on investments	216	1,250	216	1,248
Accumulated depreciation of premises				
appraisal deducted from premises				
revaluation surplus	(85)	(199)	(85)	(197)
Properties for sale debt repayment	3,540	-	895	-
Properties and premises transferred				
to be properties foreclosed	-	20	-	20

7.1.4 On January 5, 2015, the Bank has completed the business transfer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Bangkok Branch (“BTMU’s Bangkok Branch”), then allotted 1,281,618,026 newly issued ordinary shares as a private placement to The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) with the par value of Baht 10 per share and the offering price of Baht 40.49 per share as consideration and/or exchange for the transfer of business of BTMU’s Bangkok Branch in accordance with the approval by the Board of Directors Meeting No.12/2014 held on December 17, 2014 under the resolution of the Extraordinary General Meeting of Shareholders No. 1/2013 held on October 31, 2013 to approve the private placement of not more than 1,500,000,000 newly issued ordinary shares with the par value of Baht 10 per share.

Book value of assets and liabilities of BTMU’s Bangkok Branch of each item are as follows:

	Unit: Million Baht
Assets	
Cash	72
Interbank and money market items - net	115,012
Derivative assets	20,903
Investments - net	80,341
Loans to customers and accrued interest receivables - net	231,419
Others	1,064
	<u>448,811</u>
Liabilities	
Deposits	146,865
Interbank and money market items - net	216,837
Derivative liabilities	16,373
Debt issued and borrowings	19,691
Others	2,370
	<u>402,136</u>
Net assets	46,675
Deficit from business combination under common control	5,218
Purchase price	<u>51,893</u>

7.1.5 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
June 30, 2015			December 31, 2014			
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	13,120	25,545	38,665	4,673	29,997	34,670
Commercial banks	1,236	11,192	12,428	1,711	1,251	2,962
Specialized financial institutions	-	7,066	7,066	-	-	-
Other financial institutions	105	65,320	65,425	5	30,580	30,585
Total	14,461	109,123	123,584	6,389	61,828	68,217
<u>Add</u> Accrued interest receivables	-	75	75	-	20	20
<u>Less</u> Allowance for doubtful accounts	-	(512)	(512)	-	(182)	(182)
Total domestic items	14,461	108,686	123,147	6,389	61,666	68,055
Foreign items						
US Dollar	18,028	2,615	20,643	9,610	299	9,909
Yen	33,441	7	33,448	165	-	165
Euro	690	-	690	512	-	512
Other currencies	2,554	82	2,636	1,475	248	1,723
Total	54,713	2,704	57,417	11,762	547	12,309
<u>Add</u> Accrued interest receivables	-	2	2	-	-	-
Total foreign items	54,713	2,706	57,419	11,762	547	12,309
Total domestic and foreign items	69,174	111,392	180,566	18,151	62,213	80,364

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
June 30, 2015			December 31, 2014			
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	13,120	25,545	38,665	4,673	29,997	34,670
Commercial banks	147	9,380	9,527	-	-	-
Specialized financial institutions	-	7,066	7,066	-	-	-
Other financial institutions	105	65,320	65,425	5	30,580	30,585
Total	13,372	107,311	120,683	4,678	60,577	65,255
<u>Add</u> Accrued interest receivables	-	74	74	-	18	18
<u>Less</u> Allowance for doubtful accounts	-	(512)	(512)	-	(182)	(182)
Total domestic items	13,372	106,873	120,245	4,678	60,413	65,091
Foreign items						
US Dollar	17,913	2,615	20,528	9,439	299	9,738
Yen	33,441	7	33,448	165	-	165
Euro	690	-	690	512	-	512
Other currencies	2,541	82	2,623	1,456	248	1,704
Total	54,585	2,704	57,289	11,572	547	12,119
<u>Add</u> Accrued interest receivables	-	2	2	-	-	-
Total foreign items	54,585	2,706	57,291	11,572	547	12,119
Total domestic and foreign items	67,957	109,579	177,536	16,250	60,960	77,210

7.3 Derivatives

7.3.1 Fair value and the notional amount classified by type of risk as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht						
CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS						
	June 30, 2015			December 31, 2014		
Risk type	Fair value /		Notional	Fair value /		Notional
	Readjustment based on			Readjustment based on		
	an accrual basis			an accrual basis		
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	20,609	12,693	833,076	2,043	1,581	328,665
Interest rate	5,367	8,187	982,813	610	579	44,291
Total	25,976	20,880	1,815,889	2,653	2,160	372,956

7.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at June 30, 2015 and December 31, 2014 are as follows:

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS		
Counterparty	June 30, 2015	December 31, 2014
	Proportion (%)	Proportion (%)
Financial institution	59.62	82.94
Related company	28.77	0.41
Third party	11.61	16.65
Total	100.00	100.00

7.4 Investments, net

Investments, net as at June 30, 2015 and December 31, 2014 consisted of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	June 30, 2015				December 31, 2014			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	4,277	-	-	4,277	4,251	2	(2)	4,251
Private sector's debt securities	-	-	-	-	16	-	-	16
Total	4,277	-	-	4,277	4,267	2	(2)	4,267
Securities Available-for-Sale								
Government and state enterprise securities	87,402	745	-	88,147	38,760	564	-	39,324
Private sector's debt securities	10,751	437	-	11,188	11,367	402	-	11,769
Domestic marketable equity securities	4,239	474	(257)	4,456	4,641	471	(253)	4,859
	102,392	1,656	(257)	103,791	54,768	1,437	(253)	55,952
Add (less) Revaluation allowance	1,399			-	1,184			-
Less Allowance for impairment	(284)			(284)	(13)			(13)
Total	103,507			103,507	55,939			55,939
Securities Held-to-Maturity								
Private sector's debt securities	50				50			
Investment in accounts receivable	1,128				163			
	1,178				213			
Less Allowance for impairment	(64)				(64)			
Total	1,114				149			
Securities for General Investments								
Domestic non-marketable equity securities	384				408			
Foreign non-marketable equity securities	31				28			
	415				436			
Less Allowance for impairment	(218)				(218)			
Total	197				218			
Total Investments, net	109,095				60,573			

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	June 30, 2015				December 31, 2014			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	4,277	-	-	4,277	4,251	2	(2)	4,251
Private sector's debt securities	-	-	-	-	312	-	-	312
Total	4,277	-	-	4,277	4,563	2	(2)	4,563
Securities Available-for-Sale								
Government and state enterprise securities	87,402	745	-	88,147	38,760	564	-	39,324
Private sector's debt securities	10,472	437	-	10,909	11,367	402	-	11,769
Domestic marketable equity securities	4,239	474	(257)	4,456	4,641	471	(253)	4,859
	102,113	1,656	(257)	103,512	54,768	1,437	(253)	55,952
Add (less) Revaluation allowance	1,399			-	1,184			-
Less Allowance for impairment	(5)			(5)	(13)			(13)
Total	103,507			103,507	55,939			55,939
Securities Held-to-Maturity								
Private sector's debt securities	50				50			
Investment in accounts receivable	1,129				163			
	1,179				213			
Less Allowance for impairment	(64)				(64)			
Total	1,115				149			
Securities for General Investments								
Domestic non-marketable equity securities	351				375			
Foreign non-marketable equity securities	31				28			
	382				403			
Less Allowance for impairment	(202)				(202)			
Total	180				201			
Total Investments, net	109,079				60,852			

For the six-month periods ended June 30, 2015 and 2014, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Beginning balance	1,184	(125)	1,184	(142)
Increase (decrease) during the period	215	1,250	215	1,248
Ending balance	1,399	1,125	1,399	1,106

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries had investments in general investments in the consolidated and the Bank's financial statements of 2 and 1 companies, respectively, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

7.5 Investments in subsidiaries, associates and joint ventures, net

The Bank's investments in companies in which the Bank holds more than 20% of the paid-up capital, with the percentage of beneficial ownership and amount of investments as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
June 30, 2015							
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common Stock	2,080	50.00	1,040	1,246	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance Broker	Common Stock	12	50.00	-	55	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common Stock	107	50.00	-	102	-
Associate							
Metro Designee Company Limited ⁽³⁾	Special Purpose vehicle	Common Stock	-	22.00	-	-	-
Investments in associate and joint ventures, net					<u>1,040</u>	<u>1,403</u>	<u>-</u>

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2014							
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Associates							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common Stock	2,080	50.00	1,040	1,086	650
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance Broker	Common Stock	12	50.00	-	52	5
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common Stock	107	50.00	-	79	15
Metro Designee Company Limited ⁽³⁾	Special Purpose vehicle	Common Stock	-	22.00	-	-	-
Investments in associates, net					<u>1,040</u>	<u>1,217</u>	<u>670</u>

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

⁽³⁾ The company which was established for the transfer of the throughout rights as per the concession agreement between Mass Rapid Transit Authority of Thailand ("MRT") and Bangkok Metro Public Company Limited ("BMCL") in case BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
June 30, 2015						
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	1,905	99.99	2,129	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	-
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock } Preferred stock }	1,990	100.00	1,826 1	-
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Common stock	180	100.00	-	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,058	100.00	2,181	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	100.00	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Associated Company						
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	Common stock	-	22.00	-	-
Investments in subsidiaries and associated company					53,183	-
Less Allowance for impairment					(4,952)	-
Investments in subsidiaries and associated company, net					<u>48,231</u>	<u>-</u>

⁽¹⁾ Subsidiary is in the process of liquidation.

⁽²⁾ The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
December 31, 2014						
Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
Subsidiaries						
Ayudhya Development Leasing Company Limited	Leasing and hire- purchase	Common stock	1,905	99.99	2,129	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	-
CFG Services Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	1,990	100.00	1,826	600
					1	-
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Common stock	180	100.00	-	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	5,800
General Card Services Limited	Credit cards and personal loans	Common stock	2,058	100.00	2,181	1,300
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	2,000
Siam Realty and Services Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	20
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	6,000	100.00	6,000	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Associated Company						
Metro Designee Company Limited ⁽²⁾	Special purpose vehicle	Common stock	-	22.00	-	-
Investments in subsidiaries and associated company					53,183	9,720
<u>Less</u> Allowance for impairment					(4,952)	-
Investments in subsidiaries and associated company, net					<u>48,231</u>	<u>9,720</u>

⁽¹⁾ Subsidiary is in the process of liquidation.

⁽²⁾ The company which was established for the transfer of the throughout rights as per the concession agreement between MRT and BMCL in case BMCL breaches agreement with MRT or BMCL breaches the loan agreement with the creditor group.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015

Unit: Million Baht

	2015	2014
Cash flows from operating activities		
Income before income tax	129	273
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts	4	-
Loss on impairment of properties for sale	-	65
Depreciation and amortization	1	1
Gain on sales of properties for sale	(70)	(95)
Employment benefits expenses	4	4
Interest income, net	(56)	(52)
Interest received	56	56
Interest paid	-	(5)
Income tax paid	(53)	(95)
Income from operations before changes in operating assets and liabilities	15	152
Decrease in operating assets		
Investment in receivables	4	233
Loans to customers	6	68
Properties for sale	232	442
Other assets	4	93
Increase (decrease) in operating liabilities		
Other liabilities	(16)	15
Net cash from operating activities	245	1,003
Cash flows from financing activities		
Proceeds from bill of exchange issued	-	55
Cash paid for repayment of bill of exchange	-	(609)
Net cash from financing activities	-	(554)
Net increase in cash and cash equivalents	245	449
Cash and cash equivalents as at January 1,	1,450	21
Cash and cash equivalents as at June 30,	1,695	470

7.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at June 30, 2015 and December 31, 2014 are as follows:

(1) Classified by products

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Overdrafts	58,605	59,049	58,492	58,918
Loan against contract	625,880	468,548	736,270	583,006
Trade bill	254,824	180,136	254,783	180,094
Hire-purchase receivable	289,199	279,665	120,203	81,095
Lease contract receivable	16,287	18,713	1,651	1,158
Credit card receivable	44,378	50,291	-	-
Others	2,128	1,234	1,146	198
Total	1,291,301	1,057,636	1,172,545	904,469
<u>Less</u> Deferred revenue	(46,431)	(44,875)	(20,447)	(14,279)
Loans to customers after deferred revenue, net	1,244,870	1,012,761	1,152,098	890,190
<u>Add</u> Accrued interest receivables	3,709	2,636	2,545	1,557
Loans to customers and accrued interest receivable after deferred revenue, net	1,248,579	1,015,397	1,154,643	891,747
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
Individual approach	(22,776)	(19,099)	(16,560)	(12,966)
Collective approach	(6,119)	(5,556)	(2,277)	(1,267)
2) Surplus reserve	(14,219)	(13,504)	(6,069)	(5,564)
<u>Less</u> Revaluation allowance for debt restructuring	(1,614)	(1,617)	(442)	(563)
Total loans to customers, net	1,203,851	975,621	1,129,295	871,387

(2) Classified by currency and residence of debtors

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
June 30, 2015			December 31, 2014			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Baht	1,174,185	8,443	1,182,628	979,088	10,521	989,609
US Dollar	50,039	6,740	56,779	14,057	7,301	21,358
Other currencies	1,448	4,015	5,463	516	1,278	1,794
Total	<u>1,225,672</u>	<u>19,198</u>	<u>1,244,870</u>	<u>993,661</u>	<u>19,100</u>	<u>1,012,761</u>

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
June 30, 2015			December 31, 2014			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Baht	1,081,605	8,443	1,090,048	856,518	10,520	867,038
US Dollar	50,039	6,561	56,600	14,057	7,301	21,358
Other currencies	1,448	4,002	5,450	516	1,278	1,794
Total	<u>1,133,092</u>	<u>19,006</u>	<u>1,152,098</u>	<u>871,091</u>	<u>19,099</u>	<u>890,190</u>

(3) Classified by business type and classification

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
June 30, 2015						
Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total	
Agriculture and mining	13,758	389	68	77	823	15,115
Manufacturing and trading	342,316	12,192	2,678	2,014	2,834	362,034
Real estate and construction	67,146	1,337	1,066	1,761	1,241	72,551
Public utilities and services	124,579	7,224	290	897	1,245	134,235
Housing loans	134,331	1,320	914	1,111	1,801	139,477
Others	484,271	24,233	5,177	2,760	5,017	521,458
Total	<u>1,166,401</u>	<u>46,695</u>	<u>10,193</u>	<u>8,620</u>	<u>12,961</u>	<u>1,244,870</u>

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
December 31, 2014						
Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total	
Agriculture and mining	9,857	289	76	127	758	11,107
Manufacturing and trading	251,983	6,022	1,812	1,679	2,146	263,642
Real estate and construction	61,685	1,524	943	2,038	1,149	67,339
Public utilities and services	92,565	3,990	936	668	1,103	99,262
Housing loans	127,778	1,718	1,009	1,241	1,216	132,962
Others	405,878	19,484	5,255	2,848	4,984	438,449
Total	<u>949,746</u>	<u>33,027</u>	<u>10,031</u>	<u>8,601</u>	<u>11,356</u>	<u>1,012,761</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2015

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	13,758	374	68	77	165	14,442
Manufacturing and trading	341,898	12,170	2,438	1,996	1,848	360,350
Real estate and construction	67,027	1,337	935	1,761	1,188	72,248
Public utilities and services	124,545	7,224	290	897	855	133,811
Housing loans	134,330	1,320	914	1,111	1,744	139,419
Others	420,744	8,105	1,641	1,004	334	431,828
Total	<u>1,102,302</u>	<u>30,530</u>	<u>6,286</u>	<u>6,846</u>	<u>6,134</u>	<u>1,152,098</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2014

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	9,857	271	76	126	93	10,423
Manufacturing and trading	251,424	5,996	1,571	1,615	1,190	261,796
Real estate and construction	61,351	1,523	943	2,008	1,061	66,886
Public utilities and services	92,550	3,990	936	616	727	98,819
Housing loans	127,778	1,718	1,009	1,241	1,143	132,889
Others	314,111	3,169	1,405	505	187	319,377
Total	<u>857,071</u>	<u>16,667</u>	<u>5,940</u>	<u>6,111</u>	<u>4,401</u>	<u>890,190</u>

(4) Classified by type of classification

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,169,913	804,342	1	8,940
Special mention	46,889	37,234	2, 13	3,702
Substandard	10,193	6,524	48, 100	5,581
Doubtful	8,620	3,825	46, 100	3,241
Doubtful of loss	12,964	6,596	100	7,431
Total	<u>1,248,579</u>	<u>858,521</u>		<u>28,895⁽¹⁾</u>
2. Surplus Reserve				<u>14,219⁽²⁾</u>
Total				<u>43,114</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	952,203	593,981	1	6,665
Special mention	33,202	21,223	2, 13	3,239
Substandard	10,031	5,710	47, 100	4,969
Doubtful	8,601	3,519	47, 100	3,341
Doubtful of loss	11,360	5,866	100	6,441
Total	<u>1,015,397</u>	<u>630,299</u>		<u>24,655⁽¹⁾</u>
2. Surplus Reserve				<u>13,504⁽²⁾</u>
Total				<u>38,159</u>

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at June 30, 2015 and December 31, 2014, of Baht 6,119 million and Baht 5,556 million, respectively

⁽²⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at June 30, 2015 and December 31, 2014, at the rate of 1% of Baht 157,782 million and Baht 160,837 million equal to Baht 1,578 million and Baht 1,608 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements

⁽³⁾ % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at June 30, 2015 and December 31, 2014, of Baht 1,614 million and Baht 1,617 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at June 30, 2015 and December 31, 2014, of Baht 512 million and Baht 182 million, respectively

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2015

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,104,746	743,971	1	8,253
Special mention	30,631	22,573	2, 11	2,238
Substandard	6,286	3,096	40, 100	3,226
Doubtful	6,846	2,403	40, 100	2,533
Doubtful of loss	6,134	1,983	100	2,587
Total	<u>1,154,643</u>	<u>774,026</u>		<u>18,837⁽¹⁾</u>
2. Surplus Reserve				<u>6,069⁽²⁾</u>
Total				<u>24,906</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2014

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	858,545	507,013	1	5,956
Special mention	16,750	6,051	2, 13	1,635
Substandard	5,940	2,143	40, 100	2,532
Doubtful	6,111	1,753	40, 100	2,307
Doubtful of loss	4,401	1,306	100	1,803
Total	<u>891,747</u>	<u>518,266</u>		<u>14,233⁽¹⁾</u>
2. Surplus Reserve				<u>5,564⁽²⁾</u>
Total				<u>19,797</u>

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at June 30, 2015 and December 31, 2014 of Baht 2,277 million and Baht 1,267 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at June 30, 2015 and December 31, 2014, at the rate of 1% of Baht 157,782 million and Baht 160,837 million, equal to Baht 1,578 million and Baht 1,608 million, respectively

⁽³⁾ % set up are the minimum rates required by the Bank of Thailand for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at June 30, 2015 and December 31, 2014, of Baht 442 million and Baht 563 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at June 30, 2015 and December 31, 2014, of Baht 512 million and Baht 182 million, respectively

For the six-month periods ended June 30, 2015 and 2014, the Bank and a subsidiary entered into agreements to sell non-performing loans (NPLs) to the third parties as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2015	2014	2015	2014
Book value	1,396	1,260	1,396	1,579
Net book value	954	974	954	732
Sale price	954	1,151	954	732

As at June 30, 2015 and December 31, 2014, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht

	June 30, 2015		
	The Bank	AMC	The Bank and AMC
Non-performing loans	19,266	676	19,942
Percentage of total loans	1.53	100.00	1.58
Non-performing loans, net	10,920	462	11,382
Percentage of total loans, net	0.87	100.00	0.91

Unit: Million Baht			
December 31, 2014			
	The Bank	AMC	The Bank and AMC
Non-performing loans	16,452	742	17,194
Percentage of total loans	1.73	100.00	1.81
Non-performing loans, net	9,745	485	10,230
Percentage of total loans, net	1.03	100.00	1.08

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries' non-performing loans are Baht 31,774 million and Baht 29,988 million, respectively.

(5) Troubled debt restructuring

For the three-month and six-month periods ended June 30, 2015 and 2014, the Bank and its subsidiaries had restructured the following debts:

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
Form of Restructuring	For the three-month period ended June 30, 2015				For the three-month period ended June 30, 2014			
	Number	Amount	Type of Assets	Fair Value	Number	Amount	Type of Assets	Fair Value
	of Debtors	of Debt Before Restructuring	Acquired		of Debtors	of Debt Before Restructuring	Acquired	
Debt equity conversion	3	2	-	-	-	-	-	-
Modification of terms	5,234	1,235	-	-	4,622	1,064	-	-
Reduction of principal and interest	1,553	172	-	-	2,655	254	-	-
Various forms of restructuring	35	112	-	-	35	84	-	-
Total	6,825	1,521			7,312	1,402		

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
Form of Restructuring	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Number	Amount	Type of Assets	Fair Value	Number	Amount	Type of Assets	Fair Value
	of Debtors	of Debt Before Restructuring	Acquired		of Debtors	of Debt Before Restructuring	Acquired	
Debt equity conversion	3	2	-	-	-	-	-	-
Modification of terms	10,610	2,301	-	-	9,463	1,907	-	-
Reduction of principal and interest	3,357	335	-	-	5,216	508	-	-
Various forms of restructuring	84	589	-	-	78	228	-	-
Total	14,054	3,227			14,757	2,643		

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	For the three-month period ended June 30, 2015				For the three-month period ended June 30, 2014			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Debt equity conversion	3	2	-	-	-	-	-	-
Modification of terms	143	440	-	-	193	478	-	-
Reduction of principal and interest	40	98	-	-	68	137	-	-
Various forms of restructuring	35	112	-	-	35	83	-	-
Total	221	652		-	296	698		-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Debt equity conversion	3	2	-	-	-	-	-	-
Modification of terms	266	887	-	-	351	1,001	-	-
Reduction of principal and interest	70	178	-	-	142	274	-	-
Various forms of restructuring	84	589	-	-	78	228	-	-
Total	423	1,656		-	571	1,503		-

For the six-month periods ended June 30, 2015 and 2014, the Bank and its subsidiaries calculated the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
Method	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	Average Aging (Year)	Number of Debtor	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	4.62	10,326	1,628	1,577	4.43	9,068	949	949
Fair value of collateral	7.53	284	673	673	6.05	395	958	958

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Method	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Average	Number	Amount of Debt		Average	Number	Amount of Debt	
	Aging	of	Before	After	Aging	of	Before	After
	(Year)	Debtor	Restructuring	Restructuring	(Year)	Debtor	Restructuring	Restructuring
Present value of future cash flows	4.68	6	214	214	5.49	10	107	107
Fair value of collateral	8.22	260	673	673	7.01	341	894	894

For the three-month and six-month periods ended June 30, 2015 and 2014, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of profit or loss and other comprehensive income as follows:

Unit: Million Baht			
CONSOLIDATED		THE BANK'S	
FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the three-month periods		For the three-month periods	
ended June 30,		ended June 30,	
2015	2014	2015	2014
Losses on debt restructured (reversal)	306	336	(39)
Interest received from debt restructured	235	244	154

Unit: Million Baht			
CONSOLIDATED		THE BANK'S	
FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the six-month periods		For the six-month periods	
ended June 30,		ended June 30,	
2015	2014	2015	2014
Losses on debt restructured (reversal)	579	728	(118)
Interest received from debt restructured	432	477	299

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the six-month period ended June 30, 2015 and during the year ended December 31, 2014, in the statements of financial position as follows:

Unit: Million Baht			
CONSOLIDATED		THE BANK'S	
FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
June 30,	December 31,	June 30,	December 31,
2015	2014	2015	2014
Balances of total debt restructured	18,352	19,112	13,047
Balances of debt restructured during the period / year	2,921	5,914	1,353

(6) Lease receivables (Included hire-purchase receivables and finance lease)

				Unit: Million Baht
CONSOLIDATED FINANCIAL STATEMENTS				
June 30, 2015				
	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	90,666	176,679	38,141	305,486
<u>Less</u> Unearned interest income				(46,370)
Present value of the minimum lease payments				259,116
<u>Less</u> Allowance for doubtful accounts				(13,136)
Total lease receivables, net				<u>245,980</u>

				Unit: Million Baht
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2014				
	Within 1 year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	91,597	176,554	30,227	298,378
<u>Less</u> Unearned interest income				(44,836)
Present value of the minimum lease payments				253,542
<u>Less</u> Allowance for doubtful accounts				(12,115)
Total lease receivables, net				<u>241,427</u>

				Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS				
June 30, 2015				
	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	19,103	72,382	30,369	121,854
<u>Less</u> Unearned interest income				(20,389)
Present value of the minimum lease payments				101,465
<u>Less</u> Allowance for doubtful accounts				(2,277)
Total lease receivables, net				<u>99,188</u>

				Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS				
December 31, 2014				
	Within 1 Year	Amount due per agreements Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	12,137	48,127	21,989	82,253
<u>Less</u> Unearned interest income				(14,249)
Present value of the minimum lease payments				68,004
<u>Less</u> Allowance for doubtful accounts				(1,267)
Total lease receivables, net				<u>66,737</u>

7.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
June 30, 2015							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	6,665	3,239	4,969	3,341	6,441	13,504	38,159
Items arising from business combination	1,991	155	-	377	-	-	2,523
Doubtful accounts	295	453	3,137	384	4,741	732	9,742
Bad debts written off	(11)	(145)	(2,525)	(829)	(3,334)	(22)	(6,866)
Bad debts written off from sales of NPLs	-	-	-	(32)	(417)	-	(449)
Other	-	-	-	-	-	5	5
Ending balance	8,940	3,702	5,581	3,241	7,431	14,219	43,114

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2014							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,713	3,664	4,419	5,706	3,197	14,767	37,466
Doubtful accounts (reversal)	953	(425)	4,932	(697)	13,257	(1,264)	16,756
Bad debts written off	(1)	-	(4,381)	(1,153)	(9,229)	-	(14,764)
Bad debts written off from sales of NPLs	-	-	(1)	(515)	(784)	-	(1,300)
Other	-	-	-	-	-	1	1
Ending balance	6,665	3,239	4,969	3,341	6,441	13,504	38,159

As at June 30, 2015 and December 31, 2014, the consolidated financial statements included the allowance for doubtful account of hire-purchase loans applying a collective approach basis in the amounts of Baht 6,119 million and Baht 5,556 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
June 30, 2015							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	5,956	1,635	2,532	2,307	1,803	5,564	19,797
Items arising from business combination	1,991	155	-	377	-	-	2,523
Doubtful accounts	317	593	859	709	1,867	504	4,849
Bad debts written off	(11)	(145)	(165)	(828)	(666)	-	(1,815)
Bad debts written off from sales of NPLs	-	-	-	(32)	(417)	-	(449)
Other	-	-	-	-	-	1	1
Ending balance	8,253	2,238	3,226	2,533	2,587	6,069	24,906

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
December 31, 2014							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	4,957	1,654	1,718	4,167	1,181	6,242	19,919
Doubtful accounts (reversal)	1,000	(19)	942	(192)	4,108	(679)	5,160
Bad debts written off	(1)	-	(127)	(1,153)	(2,702)	-	(3,983)
Bad debts written off from sales of NPLs	-	-	(1)	(515)	(784)	-	(1,300)
Other	-	-	-	-	-	1	1
Ending balance	<u>5,956</u>	<u>1,635</u>	<u>2,532</u>	<u>2,307</u>	<u>1,803</u>	<u>5,564</u>	<u>19,797</u>

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht			
CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Allowance for doubtful accounts*	31,021	26,453	19,791
			14,978

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring

The Bank and its subsidiaries recorded allowance for doubtful accounts* in the financial statements as follows:

	Unit: Million Baht
	June 30, 2015
	December 31, 2014
Consolidated financial statements	45,240
The Bank and Krungsri Ayudhya AMC Limited	26,214
The Bank's financial statements	25,860
	20,542

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
June 30, 2015				
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>2</u>	<u>2,333</u>	<u>848</u>	<u>1,359</u>
Total	<u>2</u>	<u>2,333</u>	<u>848</u>	<u>1,359</u>

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2014				
Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts	
Companies subject to be delisted by SET	3	2,440	940	1,393
Total	3	2,440	940	1,393

				Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS				
June 30, 2015				
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>1</u>	<u>2,262</u>	<u>845</u>	<u>1,291</u>
Total	1	2,262	845	1,291

				Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS				
December 31, 2014				
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	<u>1</u>	<u>2,333</u>	<u>923</u>	<u>1,291</u>
Total	1	2,333	923	1,291

7.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at June 30, 2015 and December 31, 2014 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Beginning balance	1,617	1,520	563	659
Increase (decrease) during the period / year	579	1,368	(118)	(93)
Amount written off	(582)	(1,271)	(3)	(3)
Ending balance	<u>1,614</u>	<u>1,617</u>	<u>442</u>	<u>563</u>

7.9 Properties for sale, net

Properties for sale, net as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties For Sale	Balance as at January 1, 2015	Acquisition	Disposition	Balance as at June 30, 2015
1. Assets acquired from debt repayment				
1.1 Immovable	6,471	21	(444)	6,048
1.2 Movable	850	3,539	(3,555)	834
Total	7,321	3,560	(3,999)	6,882
2. Others	116	-	-	116
Total properties for sale	7,437	3,560	(3,999)	6,998
<u>Less</u> Provision for impairment	(1,981)	(1,088)	1,254	(1,815)
Total properties for sale	5,456	2,472	(2,745)	5,183

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties For Sale	Balance as at January 1, 2014	Acquisition	Disposition	Balance as at December 31, 2014
1. Assets acquired from debt repayment				
1.1 Immovable	8,074	141	(1,744)	6,471
1.2 Movable	821	7,650	(7,621)	850
Total	8,895	7,791	(9,365)	7,321
2. Others	99	20	(3)	116
Total properties for sale	8,994	7,811	(9,368)	7,437
<u>Less</u> Provision for impairment	(2,129)	(3,234)	3,382	(1,981)
Total properties for sale	6,865	4,577	(5,986)	5,456

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
Type of Properties For Sale	Balance as at January 1, 2015	Acquisition	Disposition	Balance as at June 30, 2015
1. Assets acquired from debt repayment				
1.1 Immovable	3,908	20	(260)	3,668
1.2 Movable	109	895	(772)	232
Total	4,017	915	(1,032)	3,900
2. Others	116	-	-	116
Total properties for sale	4,133	915	(1,032)	4,016
<u>Less</u> Provision for impairment	(1,290)	(28)	92	(1,226)
Total properties for sale	2,843	887	(940)	2,790

Type of Properties For Sale	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at	Acquisition	Disposition	Balance as at
	January 1,			December 31,
	2014			2014
1. Assets acquired from debt repayment				
1.1 Immovable	4,369	131	(592)	3,908
1.2 Movable	-	429	(320)	109
Total	4,369	560	(912)	4,017
2. Others	96	20	-	116
Total properties for sale	4,465	580	(912)	4,133
<u>Less</u> Provision for impairment	(1,442)	(40)	192	(1,290)
Total properties for sale	3,023	540	(720)	2,843

Immovable assets for sale classified by external and internal appraisers as at June 30, 2015 and December 31, 2014 consist of the following:

	Unit: Million Baht	
	THE BANK'S	
	FINANCIAL STATEMENTS	
	June 30,	December 31,
	2015	2014
Immovable assets-Foreclosed assets		
Appraised by external appraisers	1,863	1,970
Appraised by internal appraisers	4,185	4,501
Total	6,048	6,471

7.10 Premises and equipment, net

Premises and equipment, net as at June 30, 2015 and December 31, 2014 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2015	Increase	Decrease	Balance as at June 30, 2015
Land				
Cost	3,633	667	-	4,300
Appraisal increase (Year 2013)	5,179	-	-	5,179
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,808	134	(16)	6,926
Appraisal increase (Year 2013)	7,748	-	-	7,748
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	13,302	414	(245)	13,471
Leasehold improvement	2,467	434	(106)	2,795
Total	38,924	1,649	(367)	40,206
Less Accumulated depreciation				
Premises				
- Cost	(3,482)	(131)	3	(3,610)
- Appraisal increase (Year 2013)	(4,938)	(85)	-	(5,023)
Equipment	(9,434)	(626)	204	(9,856)
Leasehold improvement	(1,525)	(133)	47	(1,611)
Total	(19,379)	(975)	254	(20,100)
Construction in progress	407	172	(341)	238
Premises and equipment, net	19,952			20,344
				Unit: Million Baht
				June 30, 2015 June 30, 2014
Depreciation for the six-month periods				975 1,109

CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Land				
Cost	3,631	15	(13)	3,633
Appraisal increase (Year 2013)	5,179	-	-	5,179
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,826	248	(266)	6,808
Appraisal increase (Year 2013)	8,434	-	(686)	7,748
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	13,467	1,300	(1,465)	13,302
Leasehold improvement	2,153	398	(84)	2,467
Total	39,477	1,961	(2,514)	38,924
Less Accumulated depreciation				
Premises				
- Cost	(3,347)	(397)	262	(3,482)
- Appraisal increase (Year 2013)	(5,272)	(348)	682	(4,938)
Equipment	(9,603)	(1,210)	1,379	(9,434)
Leasehold improvement	(1,339)	(225)	39	(1,525)
Total	(19,561)	(2,180)	2,362	(19,379)
Construction in progress	223	483	(299)	407
Premises and equipment, net	20,139			19,952

Unit: Million Baht
December 31, 2014

Depreciation for the year 2,180

As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 7,722 million and Baht 7,624 million, respectively.

The equipments at cost of Baht 447 million and Baht 458 million, respectively, are under finance leases as at June 30, 2015 and December 31, 2014.

Land and premises of the Bank and its subsidiaries were revalued in June 2013 by the independent professional qualified appraisers. The basis of valuation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2015	Increase	Decrease	Balance as at June 30, 2015
Land				
Cost	3,632	667	-	4,299
Appraisal increase (Year 2013)	5,175	-	-	5,175
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,750	134	(1)	6,883
Appraisal increase (Year 2013)	7,612	-	-	7,612
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	10,178	288	(128)	10,338
Leasehold improvement	1,356	350	(11)	1,695
Total	<u>34,490</u>	<u>1,439</u>	<u>(140)</u>	<u>35,789</u>
<u>Less</u> Accumulated depreciation				
Premises				
- Cost	(3,452)	(130)	-	(3,582)
- Appraisal increase (Year 2013)	(4,833)	(85)	-	(4,918)
Equipment	(7,724)	(440)	127	(8,037)
Leasehold improvement	(654)	(64)	8	(710)
Total	<u>(16,663)</u>	<u>(719)</u>	<u>135</u>	<u>(17,247)</u>
Construction in progress	392	71	(246)	217
Premises and equipment, net	<u>18,219</u>			<u>18,759</u>

Unit: Million Baht

	June 30, 2015	June 30, 2014
Depreciation for the six-month periods	<u>719</u>	<u>864</u>

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Land				
Cost	3,630	15	(13)	3,632
Appraisal increase (Year 2013)	5,175	-	-	5,175
Appraisal decrease (Year 2013)	(79)	-	-	(79)
Premises				
Cost	6,769	247	(266)	6,750
Appraisal increase (Year 2013)	8,298	-	(686)	7,612
Appraisal decrease (Year 2013)	(134)	-	-	(134)
Equipment	10,542	761	(1,125)	10,178
Leasehold improvement	1,160	205	(9)	1,356
Total	35,361	1,228	(2,099)	34,490
<u>Less</u> Accumulated depreciation				
Premises				
- Cost	(3,320)	(395)	263	(3,452)
- Appraisal increase (Year 2013)	(5,167)	(348)	682	(4,833)
Equipment	(7,997)	(841)	1,114	(7,724)
Leasehold improvement	(564)	(97)	7	(654)
Total	(17,048)	(1,681)	2,066	(16,663)
Construction in progress	220	429	(257)	392
Premises and equipment, net	18,533			18,219

Unit: Million Baht
December 31, 2014

Depreciation for the year 1,681

As at June 30, 2015 and December 31, 2014, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 6,075 million and Baht 6,080 million, respectively.

7.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2015	Increase	Decrease	Balance as at June 30, 2015
Cost				
Goodwill	9,947	-	-	9,947
Software	6,146	568	-	6,714
Other intangible assets	5,616	8	-	5,624
Total	21,709	576	-	22,285
Accumulated amortization				
Software	(3,437)	(349)	-	(3,786)
Other intangible assets	(3,668)	(320)	-	(3,988)
Total	(7,105)	(669)	-	(7,774)
Allowance for impairment	(20)	-	-	(20)
Goodwill and other intangible assets, net	<u>14,584</u>			<u>14,491</u>

	June 30, 2015	Unit: Million Baht June 30, 2014
Amortization for the six-month periods	<u>669</u>	<u>562</u>

	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Cost				
Goodwill	9,947	-	-	9,947
Software	5,293	871	(18)	6,146
Other intangible assets	5,605	11	-	5,616
Total	<u>20,845</u>	<u>882</u>	<u>(18)</u>	<u>21,709</u>
Accumulated amortization				
Software	(2,865)	(574)	2	(3,437)
Other intangible assets	(3,099)	(569)	-	(3,668)
Total	<u>(5,964)</u>	<u>(1,143)</u>	<u>2</u>	<u>(7,105)</u>
Allowance for impairment	<u>(20)</u>	<u>-</u>	<u>-</u>	<u>(20)</u>
Goodwill and other intangible assets, net	<u>14,861</u>			<u>14,584</u>

	Unit: Million Baht December 31, 2014
Amortization for the year	<u>1,143</u>

As at June 30, 2015 and December 31, 2014 , the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 1,682 million and Baht 1,602 million, respectively.

	Balance as at January 1, 2015	Increase	Decrease	Balance as at June 30, 2015
Cost				
Goodwill	1,054	-	-	1,054
Software	5,165	496	-	5,661
Other intangible assets	77	8	-	85
Total	<u>6,296</u>	<u>504</u>	<u>-</u>	<u>6,800</u>
Accumulated amortization				
Software	(2,864)	(303)	-	(3,167)
Other intangible assets	(38)	(15)	-	(53)
Total	<u>(2,902)</u>	<u>(318)</u>	<u>-</u>	<u>(3,220)</u>
Goodwill and other intangible assets, net	<u>3,394</u>			<u>3,580</u>

	June 30, 2015	Unit: Million Baht June 30, 2014
Amortization for the six-month periods	<u>318</u>	<u>244</u>

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2014	Increase	Decrease	Balance as at December 31, 2014
Cost				
Goodwill	1,054	-	-	1,054
Software	4,399	770	(4)	5,165
Other intangible assets	66	11	-	77
Total	<u>5,519</u>	<u>781</u>	<u>(4)</u>	<u>6,296</u>
Accumulated amortization				
Software	(2,377)	(487)	-	(2,864)
Other intangible assets	(13)	(25)	-	(38)
Total	<u>(2,390)</u>	<u>(512)</u>	<u>-</u>	<u>(2,902)</u>
Goodwill and other intangible assets, net	<u>3,129</u>			<u>3,394</u>

Unit: Million Baht
December 31, 2014

Amortization for the year	<u><u>512</u></u>
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As at June 30, 2015 and December 31, 2014, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 1,281 million and Baht 1,231 million, respectively.

7.12 Deferred tax

Deferred tax assets and Deferred tax liabilities as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht			
CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Deferred tax assets	5,148	639	485
Deferred tax liabilities	<u>(28)</u>	<u>-</u>	<u>-</u>
Net	<u>5,120</u>	<u>639</u>	<u>485</u>

Movements of deferred tax assets and deferred tax liabilities during the period / year are as follows:

CONSOLIDATED FINANCIAL STATEMENTS							Unit: Million Baht
	Balance at January 1, 2015 as previously reported	Effects on Application of the new Accounting Policy	Balance at January 1, 2015 as adjusted	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Items as recognized into Other reserves of owners of the Bank	Balance at June 30, 2015
Deferred tax assets							
Impairment of assets	470	-	470	(42)	-	-	428
Loans and accrued interest receivables, net	5,562	-	5,562	180	-	-	5,742
Provisions	1,111	-	1,111	31	-	-	1,142
Others	746	14	760	92	3	41	896
Total	7,889	14	7,903	261	3	41	8,208
Deferred tax liabilities							
Asset appraisal surplus	1,599	-	1,599	(17)	-	-	1,582
Investments	193	-	193	61	46	-	300
Others	1,138	-	1,138	68	-	-	1,206
Total	2,930	-	2,930	112	46	-	3,088
Deferred tax assets - net	4,959	14	4,973	149	(43)	41	5,120

CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance at January 1, 2014	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2014
Deferred tax assets				
Impairment of assets	489	(19)	-	470
Loans and accrued interest receivables, net	4,816	746	-	5,562
Provisions	931	73	107	1,111
Others	770	(22)	(2)	746
Total	7,006	778	105	7,889
Deferred tax liabilities				
Asset appraisal surplus	1,669	(70)	-	1,599
Investments	9	(78)	262	193
Others	924	214	-	1,138
Total	2,602	66	262	2,930
Deferred tax assets - net	4,404	712	(157)	4,959

Unit: Million Baht							
THE BANK'S FINANCIAL STATEMENTS							
	Balance at January 1, 2015 as previously reported	Effects on Application of the new Accounting Policy	Balance at January 1, 2015 as adjusted	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Items as recognized into Other reserves of owners of the Bank	Balance at June 30, 2015
Deferred tax assets							
Impairment of assets	334	-	334	(22)	-	-	312
Loans and accrued interest receivables, net	1,169	-	1,169	87	-	-	1,256
Provisions	949	-	949	70	-	-	1,019
Others	190	14	204	67	3	41	315
Total	2,642	14	2,656	202	3	41	2,902
Deferred tax liabilities							
Asset appraisal surplus	1,591	-	1,591	(17)	-	-	1,574
Investments	193	-	193	61	46	-	300
Others	373	-	373	16	-	-	389
Total	2,157	-	2,157	60	46	-	2,263
Deferred tax assets - net	485	14	499	142	(43)	41	639

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2014	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2014
Deferred tax assets				
Impairment of assets	369	(35)	-	334
Loans and accrued interest receivables, net	723	446	-	1,169
Provisions	817	38	94	949
Others	368	(176)	(2)	190
Total	2,277	273	92	2,642
Deferred tax liabilities				
Asset appraisal surplus	1,661	(70)	-	1,591
Investments	4	(75)	264	193
Others	159	214	-	373
Total	1,824	69	264	2,157
Deferred tax assets - net	453	204	(172)	485

7.13 Other assets, net

Other assets, net as at June 30, 2015 and December 31, 2014 are as follows:

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Accrued income	1,654	1,868	411	272
Prepayment	1,118	423	813	194
Other receivables	8,816	8,911	4,972	5,523
Margin call to counterparty	3,800	82	3,800	82
Others	1,121	878	2,118	1,675
Total	<u>16,509</u>	<u>12,162</u>	<u>12,114</u>	<u>7,746</u>

7.14 Deposits

Deposits as at June 30, 2015 and December 31, 2014 are as follows:

(1) Classified by product

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Current deposit	27,749	20,234	28,359	21,246
Savings deposit	502,792	404,466	507,176	409,638
Time deposit				
- Less than 6 months	133,782	75,815	134,604	75,816
- 6 months to 1 year	312,219	246,144	312,224	246,148
- Over 1 year	30,773	90,897	30,775	90,900
Total	<u>1,007,315</u>	<u>837,556</u>	<u>1,013,138</u>	<u>843,748</u>

(2) Classified by currency and residence of depositors

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	972,462	1,187	973,649	832,016	657	832,673
US Dollar	26,630	1,248	27,878	1,912	972	2,884
Other currencies	5,139	649	5,788	1,358	641	1,999
Total	<u>1,004,231</u>	<u>3,084</u>	<u>1,007,315</u>	<u>835,286</u>	<u>2,270</u>	<u>837,556</u>

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2015			December 31, 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	978,227	1,187	979,414	838,208	657	838,865
US Dollar	26,630	1,293	27,923	1,912	972	2,884
Other currencies	5,139	662	5,801	1,358	641	1,999
Total	<u>1,009,996</u>	<u>3,142</u>	<u>1,013,138</u>	<u>841,478</u>	<u>2,270</u>	<u>843,748</u>

7.15 Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	June 30, 2015			December 31, 2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	5,942	5,942	-	7,324	7,324
Commercial banks	1,024	34,000	35,024	817	10,060	10,877
Specialized financial institutions	2,017	4,796	6,813	2,013	6,200	8,213
Other financial institutions	5,576	1,611	7,187	8,352	5,745	14,097
Total domestic items	8,617	46,349	54,966	11,182	29,329	40,511
Foreign items						
US Dollar	117	211,274	211,391	45	5,933	5,978
Yen	-	2,758	2,758	-	-	-
Euro	6	-	6	-	-	-
Other currencies	902	33	935	123	-	123
Total foreign items	1,025	214,065	215,090	168	5,933	6,101
Total domestic and foreign items	9,642	260,414	270,056	11,350	35,262	46,612

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
	June 30, 2015			December 31, 2014		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	5,942	5,942	-	7,324	7,324
Commercial banks	1,024	34,000	35,024	817	10,060	10,877
Specialized financial institutions	2,017	4,796	6,813	2,013	6,200	8,213
Other financial institutions	7,688	1,611	9,299	9,966	5,776	15,742
Total domestic items	10,729	46,349	57,078	12,796	29,360	42,156
Foreign items						
US Dollar	117	211,274	211,391	45	5,933	5,978
Yen	-	2,758	2,758	-	-	-
Euro	6	-	6	-	-	-
Other currencies	902	33	935	123	-	123
Total foreign items	1,025	214,065	215,090	168	5,933	6,101
Total domestic and foreign items	11,754	260,414	272,168	12,964	35,293	48,257

Additional information on interbank and money market items, net (liability) is as follows:

- As at June 30, 2015 and December 31, 2014, the outstanding balance of borrowing from the Bank of Thailand is Baht 5,942 million and Baht 7,324 million, respectively bearing an interest rate at 0.01% per annum. The loan is restricted to a soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at a rate not over 3% per annum. The soft loan program duration is 5 years and will end on December 31, 2018.

- On October 25, 2012, the Bank entered into a loan agreement facility of USD 200 million with International Finance Corporation, a member of the World Bank, which was composed of a 36-month term loan of USD 100 million, a 48-month term loan of USD 50 million and a 60-month term loan of USD 50 million at the interest rate of 3-month LIBOR plus applicable spreads. The repayment of principle will be gradually paid within term agreement. The purpose of this facility is to provide the Bank funding to finance small or medium enterprises directly and indirectly impacted by flooding in Thailand. The Bank had already made a repayment in May 2015.

7.16 Debt issued and borrowings

Debt issued and borrowings as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	Domestic	June 30, 2015		December 31, 2014		
					Foreign	Total	Domestic	Foreign	Total
Subordinated									
debentures	THB	4.70	2020-2022	14,844	-	14,844	34,844	-	34,844
Senior securities	THB	2.61-4.50	2015-2019	41,712	-	41,712	90,983	-	90,983
Bill of exchange	THB	0.83-2.90	2015	24,720	-	24,720	25,949	-	25,949
Other borrowings	THB	0.50	2015-2017	21	-	21	29	-	29
				<u>81,297</u>	<u>-</u>	<u>81,297</u>	<u>151,805</u>	<u>-</u>	<u>151,805</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	Domestic	June 30, 2015		December 31, 2014		
					Foreign	Total	Domestic	Foreign	Total
Subordinated									
debentures	THB	4.70	2020-2022	14,844	-	14,844	34,844	-	34,844
Senior securities	THB	2.61-3.59	2015-2017	21,000	-	21,000	62,387	-	62,387
Bill of exchange	THB	0.83-1.60	2015	24,275	-	24,275	8	-	8
Other borrowings	THB	0.50	2015-2017	21	-	21	29	-	29
				<u>60,140</u>	<u>-</u>	<u>60,140</u>	<u>97,268</u>	<u>-</u>	<u>97,268</u>

Additional information on debts issued and borrowings is as follows:

- On June 23, 2010, the Bank issued subordinated debentures No. 1/2010 in the amount of Baht 20,000 million with maturity on June 23, 2020 at the fixed interest rates of 4.35% per annum for years 1-3, 4.75% per annum for years 4-6 and 5.50% per annum for years 7-10, payable quarterly on the 23rd of March, June, September and December of each year. The Bank has the right to redeem debentures No. 1/2010 before the maturity date subject to the approval of the BOT. The Bank may redeem the debentures prior to the fifth anniversary of the issued date if the Bank is notified by the BOT that the debentures shall not be treated as tier 2 capital or the debentures shall be treated as tier 2 capital less than 50% of tier 1 capital of the Bank.

The BOT has granted the early redemption to the Bank for the whole amount of the subordinated debentures on March 19, 2015. Therefore, the Bank had exercised the right to redeem the subordinated debentures on June 23, 2015.

2. On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of Baht 14,844 million for a 10-year tenor at the fixed interest rate of 4.7 % per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or on any interest payment date after the fifth anniversary subject to the approval of the BOT.

7.17 Provisions

Provisions for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

	Unit: Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2014	Increase (Decrease)	Balance at December 31, 2014	Increase (Decrease)	Balance at June 30, 2015
Provision for post-employment benefits obligation	2,892	818	3,710	577	4,287
Others	1,691	50	1,741	216	1,957
Total	4,583	868	5,451	793	6,244

	Unit: Million Baht				
	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2014	Increase (Decrease)	Balance at December 31, 2014	Increase (Decrease)	Balance at June 30, 2015
Provision for post-employment benefits obligation	2,365	845	3,210	539	3,749
Others	1,688	33	1,721	214	1,935
Total	4,053	878	4,931	753	5,684

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Opening defined benefits obligation	3,710	2,892	3,210	2,365
Current service cost	177	128	145	95
Interest cost	74	65	65	53
Benefit paid	(18)	(41)	(15)	(39)
Items arising from business combination	344	-	344	-
Closing defined benefit obligation	<u>4,287</u>	<u>3,044</u>	<u>3,749</u>	<u>2,474</u>

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Current service cost	89	64	72	48
Interest on obligation	37	33	33	26
	<u>126</u>	<u>97</u>	<u>105</u>	<u>74</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Current service cost	177	128	145	95
Interest on obligation	74	65	65	53
	<u>251</u>	<u>193</u>	<u>210</u>	<u>148</u>

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at June 30, 2015 and December 31, 2014 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
Financial assumptions	
Discount rate	3.7%
Salary increase rate	6.0%
Turnover rate	8.9%
Retirement age	55 and 60 years

Significant Actuarial Assumptions - Impact on increase / (decrease) in Defined Benefit Obligation as at June 30, 2015 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS
Discount rate - 1% increase	(473)	(404)
Discount rate - 1% decrease	599	516
Salary increase rate - 1% increase	990	910
Salary increase rate - 1% decrease	(827)	(758)

7.18 Finance lease liabilities

Finance lease liabilities as at June 30, 2015 and December 31, 2014 are as follows:

	Unit: Million Baht CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2015			December 31, 2014		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	20	2	22	18	2	20
One year to five years	38	2	40	39	2	41
Total	58	4	62	57	4	61

7.19 Other liabilities

Other liabilities as at June 30, 2015 and December 31, 2014 are as follows:

	Unit : Million Baht CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Accrued expenses	10,030	10,073	7,175	7,273		
Tax payable	3,193	3,421	1,512	1,758		
Deposit	5,766	6,632	606	459		
Unearned income from customer loyalty program	2,485	2,315	82	71		
Other payables	845	2,694	602	1,733		
Margin call from counterparty	7,089	120	7,089	120		
Others	7,340	8,384	3,602	4,610		
Total	36,748	33,639	20,668	16,024		

7.20 Share capital

7.20.1 Issued and paid-up share capital

The Board of Directors Meeting No. 12/2014 held on December 17, 2014 resolved to approve the allotment of 1,281,618,026 newly issued ordinary shares as a private placement to The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") with the par value of Baht 10 per share and the offering price of Baht 40.49 per share as consideration and/or exchange for the transfer of business of The Bank of Tokyo-Mitsubishi UFJ, Ltd. Bangkok Branch ("BTMU's Bangkok Branch") in accordance with the resolution of the Extraordinary General Meeting of Shareholders No. 1/2013 held on October 31, 2013.

On January 5, 2015, the Bank has completed the business transfer of BTMU's Bangkok Branch, then allotted 1,281,618,026 newly issued ordinary shares as a private placement to BTMU with the par value of Baht 10 per share. In this regards, the Bank has received payment for these shares in kind by net asset of BTMU's Bangkok Branch and has completed the registration of paid-up share capital to the Ministry of Commerce. As a result, the issued and paid-up share capital and premium on ordinary shares will be increased as follows:

	January 5, 2015 (After allotment)	Unit: Million Baht December 31, 2014 (Before allotment)
Issued and paid-up share capital	73,558	60,741
Premium on ordinary shares	52,879	13,802

7.20.2 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.20.3 Dividend payment

The Annual General Meeting of Shareholder No. 102 held on April 9, 2014, approved the dividend payment for the six-month period ended December 31, 2013 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.40 per share totaling Baht 2,430 million with payment date on May 7, 2014.

The Board of Directors' Meeting No. 8/2014 held on August 27, 2014, approved the interim dividend payment for the six-month period ended June 30, 2014 to the shareholders of 6,074,143,747 ordinary shares at Baht 0.40 per share totaling Baht 2,430 million with payment date on September 25, 2014.

The Annual General Meeting of Shareholders No. 103 held on April 23, 2015, approved the dividend payment for the six-month period ended December 31, 2014 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on May 22, 2015.

7.21 Assets with obligations and restrictions

As at June 30, 2015 and December 31, 2014, government and state enterprise securities with book value of Baht 21,897 million and Baht 4,995 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.22 Contingencies

Contingencies as at June 30, 2015 and December 31, 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Avals to bills	1,762	1,893	1,762	1,893
Guarantees of loans	92	54	92	54
Liability under unmatured import bills	1,680	7,688	1,680	7,688
Letters of credit	7,085	5,701	7,085	5,701
Other contingencies				
- Unused overdraft limit	67,167	61,583	67,297	61,713
- Other guarantees	56,173	46,397	56,173	46,397
- Others	182	139	182	139
Total	<u>134,141</u>	<u>123,455</u>	<u>134,271</u>	<u>123,585</u>

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019 with a local company. As at June 30, 2015 and December 31, 2014, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 3,119 million and Baht 3,445 million, respectively.

As at June 30, 2015 and December 31, 2014, the Bank has commitments to pay regarding the information technology services the amounts of Baht 1,219 million and Baht 762 million, respectively.

7.23 Related party transactions

The Bank has business transactions with subsidiaries, associates, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor. 19/2555 regarding the "Guideline on Consolidated Supervision (No.2)" dated December 17, 2012, and Sor.Nor.Sor. 6/2553 regarding the "Guideline on Consolidated Supervision" dated June 28, 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level and the Bank does not allow the companies in the financial business group borrow from or lend to each other.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

- 7.23.1 Assets, liabilities and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at June 30, 2015 and December 31, 2014 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	36,900	-	-	4,475	2,286	-	214,423	-	6,233	124	601,711	6,240
Total	36,900	-	-	4,475	2,286	-	214,423	-	6,233	124	601,711	6,240
Joint ventures												
Tesco Card Services Limited	-	8,594	36	-	421	317	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	9	116	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	12	431	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(86)	-	-	-	-	-	-	-	-	-	-
Total	-	8,508	36	-	433	757	116	-	-	-	-	-
Related companies having joint major shareholders or directors	21	6,934	27	242	-	6,502	121	820	113	24	12,265	3,148
<u>Less</u> Allowance for doubtful accounts	-	(67)	-	-	-	-	-	-	-	-	-	-
Total	21	6,867	27	242	-	6,502	121	820	113	24	12,265	3,148
Individual and related parties	-	295	-	-	-	760	-	-	-	390	-	-
<u>Less</u> Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	294	-	-	-	760	-	-	-	390	-	-
Total	36,921	15,669	63	4,717	2,719	8,019	214,660	820	6,346	538	613,976	9,388

* Others contain investment and contingencies

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

	Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
Parent company									
The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	-	10	-	2	-	1	1,535	-
Total	-	-	10	-	2	-	1	1,535	-
Associates									
Tesco Card Services Limited	-	10,864	-	395	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	94	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	392	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(109)	-	-	-	-	-	-	-
Total	-	10,755	-	881	-	-	-	-	-
Related companies having joint major shareholders or directors									
<u>Less</u> Allowance for doubtful accounts	-	(27)	-	-	-	-	-	-	-
Total	-	2,945	-	3,705	-	-	-	-	5,716
Individual and related parties									
<u>Less</u> Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-
Total	-	293	-	638	-	-	-	-	-
Total	-	13,993	10	5,224	2	-	1	1,535	5,716

* Others contain investment and contingencies

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	36,900	-	-	4,475	2,286	-	214,423	-	6,233	124	601,711	6,240
Total	36,900	-	-	4,475	2,286	-	214,423	-	6,233	124	601,711	6,240
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	5,809	1	-	12	25	-	-	-	-	-	1
Ayudhya Capital Auto Lease Public Company	-	84,422	205	-	815	259	-	-	-	268	-	-
CFG Services Company Limited	-	5,506	4	-	5	56	-	-	-	-	-	1
Ayudhya Capital Services Company Limited	-	24,670	110	-	55	394	-	-	-	13	-	3
General Card Services Limited	-	11,043	40	-	11	218	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	25,583	46	-	106	477	-	-	-	1	-	1
Siam Realty and Services Company Limited	-	530	-	-	-	30	-	-	-	36	-	-
Total Services Solutions Public Company Limited	-	-	-	-	2	1,011	-	-	-	18	-	-
Krungsri Asset Management Company Limited	-	-	-	-	53	-	554	-	-	2	-	676
Krungsri Ayudhya AMC Limited	-	-	-	-	1	1,695	-	-	-	82	-	38
Krungsri Securities Public Company Limited	-	-	-	-	2	1	1,558	-	-	3	-	-
Krungsri Factoring Company Limited	-	-	-	-	5	183	-	-	-	1	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	532	-	-	-	-	-	-
Krungsri General Insurance Broker Company Limited	-	-	-	-	-	883	-	-	-	-	-	-
Krungsri Leasing Services Company Limited	-	216	-	-	-	59	-	-	-	-	-	-
Total	-	157,779	406	-	1,067	5,823	2,112	-	-	424	-	720
<u>Less</u> Allowance for doubtful accounts	-	(1,578)	-	-	-	-	-	-	-	-	-	-
Total	-	156,201	406	-	1,067	5,823	2,112	-	-	424	-	720

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

	Interbank and money market items (Assets)	Loans	Accrued Interest Receivables	Derivative (Assets)	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Other Liabilities	Derivative (Notional amount)	Others*
Joint ventures												
Tesco Card Services Limited	-	8,594	36	-	5	317	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	9	116	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	431	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(86)	-	-	-	-	-	-	-	-	-	-
Total	-	8,508	36	-	5	757	116	-	-	-	-	-
Related companies having joint major shareholders or directors	21	6,934	27	242	-	6,502	121	820	113	24	12,265	3,148
<u>Less</u> Allowance for doubtful accounts	-	(67)	-	-	-	-	-	-	-	-	-	-
Total	21	6,867	27	242	-	6,502	121	820	113	24	12,265	3,148
Individual and related parties	-	260	-	-	-	760	-	-	-	275	-	-
Total	36,921	171,836	469	4,717	3,358	13,842	216,772	820	6,346	847	613,976	10,108

* Others contain investment and contingencies

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2014

Parent company

The Bank of Tokyo-Mitsubishi UFJ Ltd.

Total

Subsidiaries

Ayudhya Development Leasing Company Limited

Ayudhya Capital Auto Lease Public Company

CFG Services Company Limited

Ayudhya Capital Services Company Limited

General Card Services Limited

Krungsriayudhya Card Company Limited

Siam Realty and Services Company Limited

Total Services Solutions Public Company Limited

Krungsri Asset Management Company Limited

Krungsri Ayudhya AMC Limited

Krungsri Securities Public Company Limited

Krungsri Factoring Company Limited

Krungsri Life Assurance Broker Company Limited

Krungsri General Insurance Broker Company Limited

Total

Less Allowance for doubtful accounts

Total

Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
-	-	10	-	2	-	1	1,535	-
-	-	10	-	2	-	1	1,535	-
-	6,819	-	9	-	-	-	-	1
-	78,583	-	406	-	-	-	-	296
-	6,430	-	72	-	-	-	-	2
-	25,013	-	870	-	-	-	-	3
-	12,472	-	261	-	-	-	-	-
-	30,943	-	720	-	-	-	-	1
-	577	-	30	-	-	-	-	-
-	-	-	899	-	-	-	-	-
-	-	-	150	-	-	-	-	659
-	-	-	1,450	-	-	-	-	38
-	-	-	1,496	-	-	-	-	-
-	-	-	188	-	-	-	-	-
-	-	-	501	-	-	-	-	-
-	-	-	784	-	-	-	-	-
-	160,837	-	7,836	-	-	-	-	1,000
-	(1,608)	-	-	-	-	-	-	-
-	159,229	-	7,836	-	-	-	-	1,000

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

Associates

Tesco Card Services Limited	-	10,864	-	395	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	94	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	392	-	-	-	-	-
<u>Less Allowance for doubtful accounts</u>	-	(109)	-	-	-	-	-	-	-
Total	-	10,755	-	881	-	-	-	-	-

Related companies having joint

major shareholders or directors

<u>Less Allowance for doubtful accounts</u>	-	(27)	-	-	-	-	-	-	-
Total	-	2,945	-	3,705	-	-	-	-	5,716

Individual and related parties

Total

Interbank and money market items (Assets)	Loans	Derivative (Assets)	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative (Liabilities)	Derivative (Notional amount)	Others*
-	10,864	-	395	-	-	-	-	-
-	-	-	94	-	-	-	-	-
-	-	-	392	-	-	-	-	-
-	(109)	-	-	-	-	-	-	-
-	10,755	-	881	-	-	-	-	-
-	2,972	-	3,705	-	-	-	-	5,716
-	(27)	-	-	-	-	-	-	-
-	2,945	-	3,705	-	-	-	-	5,716
-	240	-	638	-	-	-	-	-
-	173,169	10	13,060	2	-	1	1,535	6,716

* Others contain investment and contingencies

As at June 30, 2015 and December 31, 2014, the Bank charges interest rates to the officer or related parties at 1.0% - 25.0% p.a. and 1.0% - 15.99% p.a., respectively.

As at June 30, 2015 and December 31, 2014, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,578 million and Baht 1,608 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.23.2 The Bank has investments in subsidiaries, associates and joint ventures as disclosed in Note 7.5 and has investments in related companies as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS							
	Business Type	Registered Share Capital	Ownership (%)	June 30, 2015		December 31, 2014	
				Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related company							
Sri Ayudhya Capital Public Company Limited	Investment holding company	250	8.50	326	32	326	51
<u>Less</u> Allowance for impairment				(5)	-	(5)	-
Investment in related company, net				<u>321</u>	<u>32</u>	<u>321</u>	<u>51</u>

7.23.3 Income and expenses between the Bank and its subsidiaries, associates and related companies for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	For the three-month period ended June 30, 2015				For the three-month period ended June 30, 2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	4	116	338	227	-	-	-	26
Total	4	116	338	227	-	-	-	26
Joint ventures / associates								
Tesco Card Services Limited	72	124	-	-	95	93	-	1
Tesco General Insurance Broker Limited	-	3	1	-	-	5	1	-
Total	72	127	1	-	95	98	1	1
Related companies having joint major shareholders or directors	65	9	23	63	30	11	14	47
Total	65	9	23	63	30	11	14	47
Individual and related parties	3	-	3	-	3	5	3	-
Total	144	252	365	290	128	114	18	74

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	4	(166)	374	400	1	-	-	90
Total	4	(166)	374	400	1	-	-	90
Joint ventures / associates								
Tesco Card Services Limited	157	244	-	1	193	188	1	1
Tesco Life Assurance Broker Company Limited	-	-	1	-	-	-	-	-
Tesco General Insurance Broker Limited	-	7	1	-	-	9	1	-
Total	157	251	2	1	193	197	2	1
Related companies having joint major shareholders or directors								
	136	83	39	120	66	21	28	86
Total	136	83	39	120	66	21	28	86
Individual and related parties								
	5	1	7	-	5	5	6	-
Total	302	169	422	521	265	223	36	177

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	For the three-month period ended June 30, 2015				For the three-month period ended June 30, 2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	4	116	338	227	-	-	-	26
Total	4	116	338	227	-	-	-	26
Subsidiaries								
Ayudhya Development Leasing Company Limited	51	2	-	-	78	1	-	-
Ayudhya Capital Auto Lease Public Company Limited	818	173	-	67	1,142	15	1	155
Ayudhya Total Solutions Public Company Limited	-	-	-	-	-	-	-	-
CFG Services Company Limited	67	11	-	-	93	2	-	-
Ayudhya Card Services Company Limited	-	-	-	-	-	-	-	-
Ayudhya Capital Services Company Limited	211	61	-	7	226	54	-	3
General Card Services Limited	85	11	-	1	95	3	-	1
Krungsri Ayudhya Card Company Limited	188	50	-	28	222	33	1	24
Siam Realty and Services Company Limited	4	1	-	125	4	-	-	117
Total Services Solutions Public Company Limited	-	-	2	25	-	-	4	16
Krungsri Asset Management Company Limited	-	137	-	2	-	73	3	3
Krungsri Ayudhya AMC Limited	-	3	-	-	2	3	-	-
Krungsri Securities Public Company Limited	-	4	5	2	-	6	3	3
Krungsri Factoring Company Limited	-	2	-	-	-	2	-	-
Krungsri Life Assurance Broker Company Limited	-	-	2	-	-	-	-	-
Krungsri General Insurance Broker Company Limited	-	-	2	-	-	-	-	-
Krungsri Leasing Services Company Limited	1	-	-	-	-	-	-	-
Total	1,425	455	11	257	1,862	192	12	322

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

	For the three-month period ended June 30, 2015				For the three-month period ended June 30, 2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Joint ventures / associates								
Tesco Card Services Limited	72	6	-	-	95	6	-	1
Tesco General Insurance Broker Limited	-	2	1	-	-	2	1	-
Total	72	8	1	-	95	8	1	1
Related companies having joint major shareholders or directors								
	65	9	23	63	30	11	14	47
Total	65	9	23	63	30	11	14	47
Individual and related parties								
	2	-	2	-	3	5	3	-
Total	1,568	588	375	547	1,990	216	30	396

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	For the six-month period ended June 30, 2015				For the six-month period ended June 30, 2014			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	4	(166)	374	400	1	-	-	90
Total	4	(166)	374	400	1	-	-	90
Subsidiaries								
Ayudhya Development Leasing Company Limited	107	4	-	-	168	4	-	-
Ayudhya Capital Auto Lease Public Company Limited	1,626	313	1	143	2,380	34	2	255
CFG Services Company Limited	142	21	-	-	194	4	-	-
Ayudhya Capital Services Company Limited	428	113	-	14	455	108	1	7
General Card Services Limited	178	15	-	2	195	5	1	2
Krungriayudhya Card Company Limited	398	82	-	56	468	68	1	45
Siam Realty and Services Company Limited	8	1	-	252	9	1	-	231
Total Services Solutions Public Company Limited	-	1	5	52	-	-	7	33
Krungri Asset Management Company Limited	-	242	-	4	-	136	3	6
Krungri Ayudhya AMC Limited	-	6	1	-	4	8	-	-
Krungri Securities Public Company Limited	-	7	9	5	-	11	7	6
Krungri Factoring Company Limited	-	6	-	-	-	3	-	-
Krungri Life Assurance Broker Limited	-	-	3	-	-	-	1	-
Krungri General Insurance Broker Limited	-	1	3	-	-	1	1	-
Krungri Leasing Services Company Limited	1	-	-	-	-	-	-	-
Total	2,888	812	22	528	3,873	383	24	585
Joint ventures / associates								
Tesco Card Services Limited	157	11	-	1	193	11	1	1
Tesco Life Assurance Broker Company Limited	-	-	1	-	-	-	-	-
Tesco General Insurance Broker Limited	-	4	1	-	-	4	1	-
Total	157	15	2	1	193	15	2	1
Related companies having joint major shareholders or directors								
	136	83	39	120	66	21	28	86
Total	136	83	39	120	66	21	28	86
Individual and related parties								
	4	-	5	-	5	5	6	-
Total	3,189	744	442	1,049	4,138	424	60	762

- 7.23.4 For the six-month periods ended June 30, 2015 and 2014, related party transactions among subsidiaries included collection services and other services of Baht 451 million and Baht 433 million, respectively, and office and vehicle rental and facilities service of Baht 31 million and Baht 34 million, respectively.
- 7.23.5 For the six-month periods ended June 30, 2015 and 2014, subsidiaries had related party transactions from the licenses relevant to technology and software for Baht 22 million and Baht 36 million, respectively.
- 7.23.6 For the six-month periods ended June 30, 2015 and 2014, related party transactions among subsidiaries from other services were Baht 680 million and Baht 650 million, respectively.
- 7.23.7 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, BTMU shall provide various services to the Bank as agreed between the Bank and BTMU prior to the transfer. Such services shall include existing services provided by BTMU to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service of BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and BTMU will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later). The Bank may request for BTMU to provide funding assistance to the Bank and BTMU shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the Funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If BTMU agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

7.24 Management compensation

The Bank has no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank did not sell, give or lease any properties to directors, executive officers, or their related parties. The Bank has not purchased or leased any assets from those persons.

For the three-month and six-month periods ended June 30, 2015 and 2014, compensations paid to key management personnel under TAS 24 (Revised 2014) “Related Party Disclosures” are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2015	2014	2015	2014
Short-term employee benefits	482	288	376	209
Post-employment benefits	12	9	8	5
Total	<u>494</u>	<u>297</u>	<u>384</u>	<u>214</u>

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2015	2014	2015	2014
Short-term employee benefits	1,096	749	881	548
Post-employment benefits	24	19	17	10
Total	<u>1,120</u>	<u>768</u>	<u>898</u>	<u>558</u>

7.25 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental and service as at June 30, 2015 and December 31, 2014 which are summarized as follows:

TYPE OF LEASE	PERIOD	CONSOLIDATED		Unit: Million Baht THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		June 30	December 31	June 30	December 31
		2015	2014	2015	2014
Land and/or premises and equipment	Within 1 year	1,129	942	976	896
	Greater than 1-5 years	1,118	944	838	756
	Greater than 5 years	81	65	70	55
		<u>2,328</u>	<u>1,951</u>	<u>1,884</u>	<u>1,707</u>

7.26 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of, operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transactions for preparation of consolidated financial statements.

During the three-month and six-month periods ended June 30, 2015 and 2014, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended June 30, 2015				
	Retail	Commercial	Others	Total
Interest income, net	8,138	5,656	-	13,794
Other operating income	5,119	1,701	(320)	6,500
Total operating income	13,257	7,357	(320)	20,294
Operating expenses	7,310	2,317	(73)	9,554
Impairment loss of loans and debt securities	4,388	873	(44)	5,217
Profit (loss) before tax	1,559	4,167	(203)	5,523
Taxation	325	820	(30)	1,115
Net Profit (loss)	1,234	3,347	(173)	4,408

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended June 30, 2014				
	Retail	Commercial	Others	Total
Interest income, net	7,768	4,108	-	11,876
Other operating income	4,280	1,377	(296)	5,361
Total operating income	12,048	5,485	(296)	17,237
Operating expenses	6,573	1,965	(62)	8,476
Impairment loss of loans and debt securities	3,793	439	23	4,255
Profit (loss) before tax	1,682	3,081	(257)	4,506
Taxation	354	696	(45)	1,005
Net Profit (loss)	1,328	2,385	(212)	3,501

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the six-month period ended June 30, 2015				
	Retail	Commercial	Others	Total
Interest income, net	16,245	11,406	-	27,651
Other operating income	9,925	3,475	(638)	12,762
Total operating income	26,170	14,881	(638)	40,413
Operating expenses	14,377	4,559	(61)	18,875
Impairment loss of loans and debt securities	8,018	1,837	615	10,470
Profit (loss) before tax	3,775	8,485	(1,192)	11,068
Taxation	774	1,724	(217)	2,281
Net Profit (loss)	3,001	6,761	(975)	8,787

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the six-month period ended June 30, 2014				
	Retail	Commercial	Others	Total
Interest income, net	15,310	8,063	-	23,373
Other operating income	8,498	2,479	(527)	10,450
Total operating income	23,808	10,542	(527)	33,823
Operating expenses	12,722	3,996	64	16,782
Impairment loss of loans and debt securities	7,530	953	(145)	8,338
Profit (loss) before tax	3,556	5,593	(446)	8,703
Taxation	744	1,231	(76)	1,899
Net Profit (loss)	2,812	4,362	(370)	6,804

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	Retail	Commercial	Others	Total
Total assets				
As at June 30, 2015	560,516	1,265,347	(213,553)	1,612,310
As at December 31, 2014	543,367	884,740	(216,745)	1,211,362

7.27 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at June 30, 2015 and December 31, 2014 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	June 30, 2015			
	Domestic	Foreign	Elimination	Total
Total assets	1,610,086	20,497	(18,273)	1,612,310
Interbank and money market items, net (Assets)	174,146	6,420	-	180,566
Investments, net*	110,388	110	-	110,498
Loans to customers and accrued interest receivable, net	1,199,272	4,579	-	1,203,851
Deposits	1,005,790	1,525	-	1,007,315
Interbank and money market items, net (Liabilities)	269,701	355	-	270,056
Debt issued and borrowings	81,297	-	-	81,297

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2014			
	Domestic	Foreign	Elimination	Total
Total assets	1,209,966	17,985	(16,589)	1,211,362
Interbank and money market items, net (Assets)	78,277	2,087	-	80,364
Investments, net*	61,641	149	-	61,790
Loans to customers and accrued interest receivable, net	968,439	7,182	-	975,621
Deposits	836,546	1,010	-	837,556
Interbank and money market items, net (Liabilities)	46,571	41	-	46,612
Debt issued and borrowings	151,805	-	-	151,805

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	June 30, 2015			
	Domestic	Foreign	Elimination	Total
Total assets	1,555,710	20,212	(18,273)	1,557,649
Interbank and money market items, net (Assets)	171,190	6,346	-	177,536
Investments, net*	157,200	110	-	157,310
Loans to customers and accrued interest receivable, net	1,124,891	4,404	-	1,129,295
Deposits	1,011,613	1,525	-	1,013,138
Interbank and money market items, net (Liabilities)	272,029	139	-	272,168
Debt issued and borrowings	60,140	-	-	60,140

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
December 31, 2014				
	Domestic	Foreign	Elimination	Total
Total assets	1,125,442	17,887	(16,589)	1,126,740
Interbank and money market items, net (Assets)	75,186	2,024	-	77,210
Investments, net*	108,934	149	-	109,083
Loans to customers and accrued interest receivable, net	864,206	7,181	-	871,387
Deposits	842,738	1,010	-	843,748
Interbank and money market items, net (Liabilities)	48,216	41	-	48,257
Debt issued and borrowings	97,268	-	-	97,268

*Includes investments in subsidiaries and associates, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended June 30, 2015				
	Domestic	Foreign	Elimination	Total
Interest income	20,346	55	-	20,401
Interest expenses	6,603	3	-	6,606
Net interest income	13,743	52	-	13,795
Fees and service income, net	4,207	9	-	4,216
Other operating income	3,911	(10)	(1,618)	2,283
Other operating expenses	16,347	42	(1,618)	14,771
Profit from operating before tax	5,514	9	-	5,523

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended June 30, 2014				
	Domestic	Foreign	Elimination	Total
Interest income	18,296	56	-	18,352
Interest expenses	6,475	1	-	6,476
Net interest income	11,821	55	-	11,876
Fees and service income, net	3,583	7	-	3,590
Other operating income	2,559	(21)	(767)	1,771
Other operating expenses	13,453	45	(767)	12,731
Profit (loss) from operating before tax	4,510	(4)	-	4,506

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended June 30, 2015

	Domestic	Foreign	Elimination	Total
Interest income	41,069	108	-	41,177
Interest expenses	13,522	4	-	13,526
Net interest income	27,547	104	-	27,651
Fees and service income, net	8,490	18	-	8,508
Other operating income	7,339	(19)	(3,066)	4,254
Other operating expenses	32,319	92	(3,066)	29,345
Profit from operating before tax	11,057	11	-	11,068

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended June 30, 2014

	Domestic	Foreign	Elimination	Total
Interest income	36,522	105	-	36,627
Interest expenses	13,252	2	-	13,254
Net interest income	23,270	103	-	23,373
Fees and service income, net	7,023	14	-	7,037
Other operating income	5,104	(32)	(1,659)	3,413
Other operating expenses	26,684	95	(1,659)	25,120
Profit (loss) from operating before tax	8,713	(10)	-	8,703

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

For the three-month period ended June 30, 2015

	Domestic	Foreign	Elimination	Total
Interest income	14,222	52	-	14,274
Interest expenses	6,342	2	-	6,344
Net interest income	7,880	50	-	7,930
Fees and service income, net	1,996	7	-	2,003
Other operating income	2,945	(10)	(1,618)	1,317
Other operating expenses	10,337	18	(1,618)	8,737
Profit from operating before tax	2,484	29	-	2,513

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

For the three-month period ended June 30, 2014

	Domestic	Foreign	Elimination	Total
Interest income	11,929	56	-	11,985
Interest expenses	5,976	1	-	5,977
Net interest income	5,953	55	-	6,008
Fees and service income, net	1,642	7	-	1,649
Other operating income	11,180	(21)	(767)	10,392
Other operating expenses	6,941	45	(767)	6,219
Profit (loss) from operating before tax	11,834	(4)	-	11,830

Unit: Million Baht			
THE BANK'S FINANCIAL STATEMENTS			
For the six-month period ended June 30, 2015			
	Domestic	Foreign	Elimination Total
Interest income	28,726	106	- 28,832
Interest expenses	12,891	3	- 12,894
Net interest income	15,835	103	- 15,938
Fees and service income, net	4,178	15	- 4,193
Other operating income	5,466	(18)	(3,066) 2,382
Other operating expenses	20,819	54	(3,066) 17,807
Profit from operating before tax	4,660	46	- 4,706

Unit: Million Baht			
THE BANK'S FINANCIAL STATEMENTS			
For the six-month period ended June 30, 2014			
	Domestic	Foreign	Elimination Total
Interest income	23,769	105	- 23,874
Interest expenses	12,200	2	- 12,202
Net interest income	11,569	103	- 11,672
Fees and service income, net	3,240	14	- 3,254
Other operating income	12,771	(32)	(1,659) 11,080
Other operating expenses	13,933	95	(1,659) 12,369
Profit (loss) from operating before tax	13,647	(10)	- 13,637

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.28 Interest income

Interest income for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

Unit: Million Baht			
CONSOLIDATED		THE BANK'S	
FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
For the three-month periods		For the three-month periods	
ended June 30,		ended June 30,	
2015	2014	2015	2014
Interbank and money market items	758	597	750 593
Investment and trading transactions	16	40	16 39
Investment in debt securities	624	499	620 497
Loans to customers	13,748	12,197	11,418 10,528
Hire purchase and financial lease	5,255	5,019	1,470 328
Total interest income	20,401	18,352	14,274 11,985

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Interbank and money market items	1,630	1,235	1,612	1,224
Investment and trading transactions	44	72	44	72
Investment in debt securities	1,270	1,021	1,267	1,019
Loans to customers	27,794	24,312	23,239	21,186
Hire purchase and financial lease	10,439	9,987	2,670	373
Total interest income	<u>41,177</u>	<u>36,627</u>	<u>28,832</u>	<u>23,874</u>

7.29 Interest expenses

Interest expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Deposits	3,932	3,726	3,939	3,729
Interbank and money market items	405	347	409	351
Contributions to Financial Institution Development Fund and Deposit Protection Agency	1,249	1,008	1,249	1,008
Debt issued and borrowing				
- Subordinated debenture	379	399	379	399
- Other	624	989	356	486
Borrowing fee expense	13	4	12	4
Other	4	3	-	-
Total interest expenses	<u>6,606</u>	<u>6,476</u>	<u>6,344</u>	<u>5,977</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Deposits	8,091	7,716	8,102	7,724
Interbank and money market items	722	683	731	691
Contributions to Financial Institution Development Fund and Deposit Protection Agency	2,468	2,003	2,468	2,003
Debt issued and borrowing				
- Subordinated debenture	774	793	774	793
- Other	1,449	2,048	804	986
Borrowing fee expense	15	4	14	4
Other	7	7	1	1
Total interest expenses	<u>13,526</u>	<u>13,254</u>	<u>12,894</u>	<u>12,202</u>

7.30 Fees and service income, net

Fees and service income, net for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Fees and service income				
- Acceptances, aval and guarantees	134	129	134	129
- Other	<u>5,375</u>	<u>4,504</u>	<u>2,510</u>	<u>2,002</u>
Total fees and service income	5,509	4,633	2,644	2,131
Fees and service expenses	<u>1,293</u>	<u>1,043</u>	<u>641</u>	<u>482</u>
Total fees and service income, net	<u>4,216</u>	<u>3,590</u>	<u>2,003</u>	<u>1,649</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Fees and service income				
- Acceptances, aval and guarantees	268	256	269	256
- Other	<u>10,813</u>	<u>8,868</u>	<u>5,227</u>	<u>4,000</u>
Total fees and service income	11,081	9,124	5,496	4,256
Fees and service expenses	<u>2,573</u>	<u>2,087</u>	<u>1,303</u>	<u>1,002</u>
Total fees and service income, net	<u>8,508</u>	<u>7,037</u>	<u>4,193</u>	<u>3,254</u>

7.31 Gains on trading and foreign exchange transactions, net

Gains on trading and foreign exchange transactions, net for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	1,155	352	1,158	352
- Derivative of interest rates	(402)	(4)	(402)	(4)
- Debt securities	2	1	2	1
- Equity securities	(6)	3	(7)	1
- Other	-	(1)	-	-
Total	<u>749</u>	<u>351</u>	<u>751</u>	<u>350</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	2,044	746	2,054	751
- Derivative of interest rates	(855)	3	(855)	3
- Debt securities	9	12	9	12
- Equity securities	(9)	16	(12)	10
- Other	1	(1)	-	-
Total	<u>1,190</u>	<u>776</u>	<u>1,196</u>	<u>776</u>

7.32 Gains on investments, net

Gains on investments, net for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Gains on sales of investments				
- Available-for-sale	152	111	152	105
- General investments	-	6	-	6
- Subsidiaries and associates	-	-	-	5
	<u>152</u>	<u>117</u>	<u>152</u>	<u>116</u>
Losses on impairment				
- Available-for-sale	-	(2)	-	(2)
- General investments	-	-	-	-
- Subsidiaries and associates	-	-	-	-
Total	<u>152</u>	<u>115</u>	<u>152</u>	<u>114</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Gains on sales of investments				
- Available-for-sale	429	136	429	129
- General investments	2	6	2	6
- Subsidiaries and associates	-	-	-	5
	<u>431</u>	<u>142</u>	<u>431</u>	<u>140</u>
Losses on impairment				
- Available-for-sale	-	(2)	-	(2)
- General investments	-	-	-	-
- Subsidiaries and associates	-	-	-	-
Total	<u>431</u>	<u>140</u>	<u>431</u>	<u>138</u>

7.33 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Interbank and money market items	118	105	118	105
Loans to customers	4,793	3,814	2,141	871
Loss on troubled debt restructuring (reversal)	306	336	(39)	(26)
Total	<u>5,217</u>	<u>4,255</u>	<u>2,220</u>	<u>950</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Interbank and money market items	149	132	149	132
Loans to customers	9,742	7,479	4,849	1,755
Loss on troubled debt restructuring (reversal)	579	728	(118)	(37)
Total	<u>10,470</u>	<u>8,339</u>	<u>4,880</u>	<u>1,850</u>

7.34 Income tax expenses

Income tax expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2015	2014	2015	2014
Current tax for the period	1,244	969	563	219
Deferred tax	(129)	36	(72)	208
Total income tax expenses	<u>1,115</u>	<u>1,005</u>	<u>491</u>	<u>427</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2015	2014	2015	2014
Current tax for the period	2,430	2,093	1,070	564
Deferred tax	(149)	(194)	(142)	212
Total income tax expenses	<u>2,281</u>	<u>1,899</u>	<u>928</u>	<u>776</u>

Reconciliation of effective tax rate

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,				THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,			
	2015		2014		2015		2014	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	<u>11,068</u>		<u>8,703</u>		<u>4,707</u>		<u>13,637</u>	
Income tax at the domestic tax rate	2,214	20.00	1,741	20.00	941	20.00	2,727	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	117	1.06	2,532	29.10	15	0.32	180	1.32
Less Tax effect of income and expense that are exempt for tax purposes	<u>(50)</u>	<u>(0.45)</u>	<u>(2,374)</u>	<u>(27.28)</u>	<u>(28)</u>	<u>(0.60)</u>	<u>(2,131)</u>	<u>(15.63)</u>
Income tax expenses as per statements of profit or loss and other comprehensive income	<u>2,281</u>	<u>20.61</u>	<u>1,899</u>	<u>21.82</u>	<u>928</u>	<u>19.72</u>	<u>776</u>	<u>5.69</u>

According to the Royal Decree No. 555 B.E. 2555 issued under the Revenue Code regarding the corporate income tax rate reduction effective on December 27, 2012, the corporate income tax rates were reduced from 30% to 23% of net profit for an accounting period beginning on or after January 1, 2012 and 20% of net profit for accounting periods beginning on or after January 1, 2013 but not later than December 31, 2014.

In addition, According to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were reduced from 30% to 20% of net profit for accounting periods beginning on or after January 1, 2015 but not later than December 31, 2015.

Therefore, the Bank and its subsidiaries used a tax rate of 20% for the corporate income tax and deferred tax calculation for the six-month periods ended June 30, 2015 and 2014.

7.35 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
For the three-month periods ended June 30,						
	2015			2014		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that may be reclassified subsequently to profit or loss						
Loss arising from translating the financial statements of a foreign operation	2	-	2	-	-	-
Gains (losses) on remeasuring available-for-sale investment	91	(18)	73	535	(107)	428
Other comprehensive income	93	(18)	75	535	(107)	428

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
For the six-month periods ended June 30,						
	2015			2014		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that may be reclassified subsequently to profit or loss						
Loss arising from translating the financial statements of a foreign operation	1	-	1	-	-	-
Gains (losses) on remeasuring available-for-sale investment	216	(43)	173	1,250	(250)	1,000
Other comprehensive income	217	(43)	174	1,250	(250)	1,000

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
For the three-month periods ended June 30,						
	2015			2014		
	Amount	Tax	Net	Amount	Tax	Net
	before tax	income	amount	before tax	income	amount
		(expenses)	After tax		(expenses)	After tax
Item that may be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	91	(18)	73	527	(105)	422
Other comprehensive income	91	(18)	73	527	(105)	422

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	For the six-month periods ended June 30,					
	2015			2014		
	Amount	Tax	Net	Amount	Tax	Net
	before tax	income	amount	before tax	income	amount
		(expenses)	After tax		(expenses)	After tax
Item that may be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	215	(43)	172	1,248	(250)	998
Other comprehensive income	215	(43)	172	1,248	(250)	998

7.36 Reclassifications

The reclassifications in the statements of financial position as at December 31, 2014, presented for comparison are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Current	Previous	Current	Previous
	classifications	classifications	classifications	classifications
Deferred tax assets	4,983	7,889	485	2,642
Deferred tax liabilities	24	2,931	-	2,157

7.37 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on August 26, 2015.