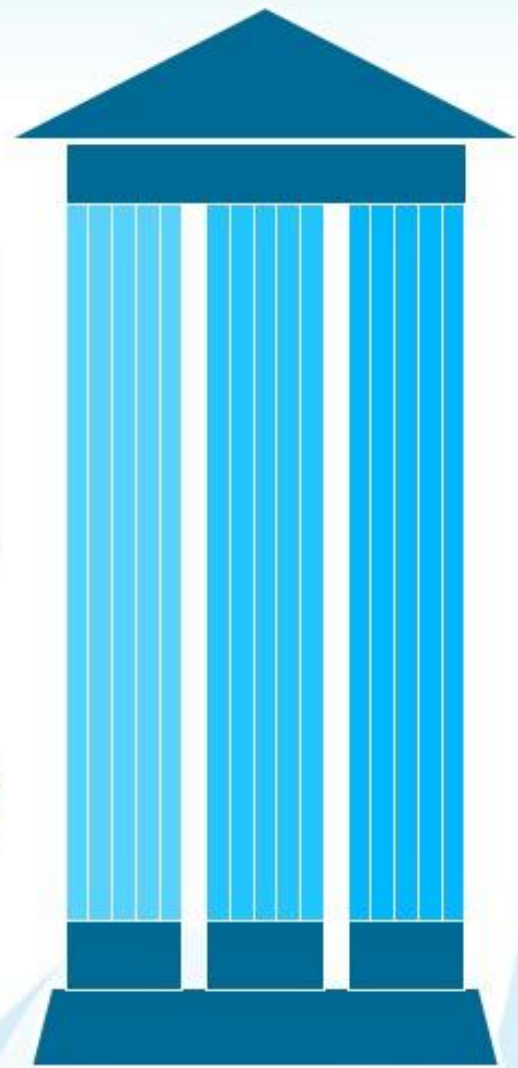


# Market Disclosures

June 2016

# Basel Pillar



ธนาคารกรุงไทย  
KRUNGTHAI BANK

## Basel III Pillar III Disclosures

### Introduction

Krung Thai Bank has managed risks under the principle to maintain balance between the risks and the business growth with the target to achieve long-run sustainable growth in aspect of revenue, profit, asset quality, liquidity status and the capital adequacy in both banking level and Financial Business Group level.

The Bank has been effectively managing capital fund in compliance with Basel III requirements as prescribed by the Bank of Thailand (BOT) in both banking level and Financial Business Group level since 1 January 2013.

### The "Three Pillars" Concept of Basel III Capital Framework

- Pillar I: Minimum Capital Requirement

The Bank is required to set out capital requirement covering Credit Risk, Market Risk and Operational Risk.

Furthermore, the Bank is also required to build-up Common Equity Tier 1 adding on to the minimum capital requirement ratio.

- Pillar II: Supervisory Review Process

The Bank is required to hold higher level of capital than the minimum requirements in Pillar I in order to accommodate for all risks that the Bank shall face in both normal situation and stress event.

The Bank shall set out the key principles of supervisory review for the its risk management process, especially the implementation of Internal Capital Adequacy Process (ICAAP), with highly concerns against all its risks as well as the appropriated stress testing exercise.

- Pillar III: Market Discipline

The Bank is required to set out the public disclosure upon its capital requirements, level of risks and risk management system in order to facilitate and enhance greater insight information for the outsiders and market participants to assess and analyze all risks and capital adequacy of the Bank. This disclosure shall be deemed as the essential market mechanism in escorting the Bank to achieve effective risks management system beyond simply the internal control of the Bank and the supervision of BOT.

### Capital structure

As at 30 June 2016, Krung Thai Bank had total capital in accordance with Basel III requirements as prescribed by BOT amounting to THB 305,617 million, divided into Common Equity Tier 1 (CET1) THB

225,381 million, Tier 1 capital THB 231,763 million and Tier 2 capital THB 73,854 million. Whilst, the Financial Business Group of the Bank had total capital amounting to THB 315,176 million, divided into Common Equity Tier 1 (CET1) THB 232,119 million, Tier 1 capital THB 239,970 million and Tier 2 capital THB 75,206 million. Details are shown in Table 1.

Table 1 Capital Structure

Unit : Million Baht

Period Ending	Consolidated basis		Bank Only	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
<b>Tier 1 Capital</b>	<b>239,970</b>	<b>229,348</b>	<b>231,763</b>	<b>225,092</b>
<b>Common Equity Tier 1</b>	<b>232,119</b>	<b>220,491</b>	<b>225,381</b>	<b>217,646</b>
▪ Paid-up share capital	71,977	71,977	71,977	71,977
▪ Net premium (discount)	20,834	20,834	20,834	20,834
▪ Non-cumulative preferred share	28	28	28	28
▪ Statutory reserves	7,200	7,200	7,200	7,200
▪ Reserve appropriated from the net profit	0	0	0	0
▪ Net profit after appropriation	124,875	121,608	118,859	117,519
▪ Other comprehensive income (OCI)	17,536	8,818	11,800	6,928
O Accumulated other comprehensive income	17,536	8,818	11,800	6,928
O Owner changes	0	0	0	0
▪ Deductions from Common Equity Tier 1	10,331	9,974	5,317	6,840
O Deductions from Common Equity Tier 1	10,331	9,974	5,317	6,840
O Deductions from Tier 1 Capital for the remaining balances only when the Tier 1 Capital is insufficient to be fully deducted	0	0	0	0
<b>Additional Tier 1</b>	<b>7,851</b>	<b>8,857</b>	<b>6,382</b>	<b>7,446</b>
▪ Funds received from debt instruments subordinated to depositors, general creditors, Subordinated creditors and holders of Tier 2 capital instruments	6,382	7,446	6,382	7,446
▪ Transaction under subsidiary and association only for non-controlling interest and outside the scope that countable as Tier 1 of financial instruments of consolidated financial institutions	1,469	1,431	0	0
▪ Deductions from Additional Tier 1	20	20	0	0
O Deductions from Additional Tier 1	20	20	0	0
O Deductions from Tier 2 Capital for the remaining balances when the Tier 2 Capital is insufficient to be fully deducted	0	0	0	0
<b>Tier 2 Capital</b>	<b>75,206</b>	<b>75,496</b>	<b>73,854</b>	<b>74,529</b>
▪ Funds received from debt instruments subordinated to depositors and general creditors	52,099	52,099	52,099	52,099
▪ General Provision	23,108	23,397	21,755	22,430
▪ Transaction under subsidiary and association only for non-controlling interest and outside the scope that countable as Tier 2 of	0	0	0	0
▪ Deductions from Tier 2 Capital	0	0	0	0
<b>Total Regulatory Capital</b>	<b>315,176</b>	<b>304,844</b>	<b>305,617</b>	<b>299,621</b>

## Capital adequacy

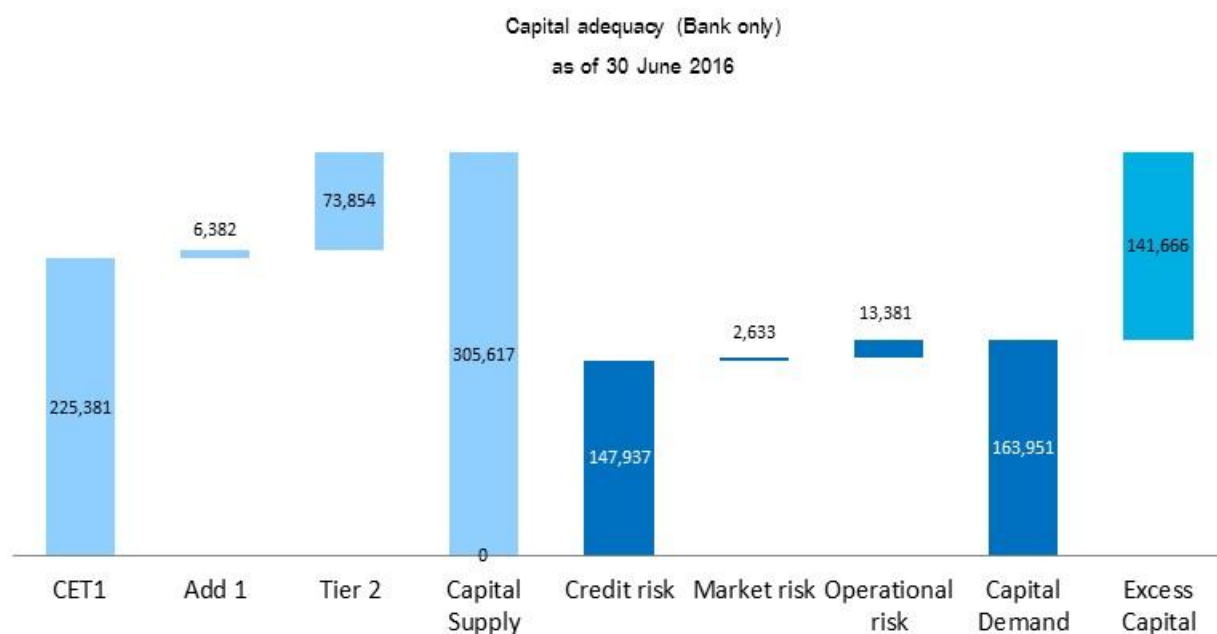
As at June 30, 2016, Krung Thai Bank and its Financial Conglomerate had Common Equity Tier 1 ratio of 11.68 percent and 11.36 percent respectively, Tier 1 ratio of 12.02 percent and 11.75 percent respectively, and total capital ratio of 15.84 percent and 15.43 percent respectively. Therefore, the Bank's and its Financial Conglomerate's capital ratios were considerably higher than the regulatory minimum requirements which are 4.5 percent for CET1 ratio, 6.0 percent for Tier 1 ratio, and 8.5 percent for Total capital ratio. The numbers were also much higher than the capital conservation buffer (regulatory requirements +0.625 percent) which are 5.125 percent for CET1 ratio, 6.625 percent for Tier 1 ratio and 9.125 percent of Total capital ratio.

Table 2 Capital Adequacy Ratio

Period Ending	Consolidated basis		Bank Only	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
Common Equity Tier 1 ratio (CET1 ratio)	11.36%	10.74%	11.68%	11.06%
Tier 1 ratio	11.75%	11.17%	12.02%	11.43%
Total capital ratio	15.43%	14.85%	15.84%	15.22%

At the present, Krung Thai Bank has adopted the Standardized Approach (SA) for the assessment of the capital adequacy toward Credit Risk, Market Risk and Operational Risk.

As at June 30, 2016, Krung Thai Bank had total capital amounting to THB 305,617 million and held the capital requirement against Credit Risk, Market Risk and Operational Risk amounting to THB 163,951 million. Consequently, the Bank still had the excess capital as at THB 141,666 million.



The Financial Business Group had total capital amounting to THB 315,176 million and held the capital requirement against all risks amounting to THB 173,656 million. Therefore, the excess capital of the Financial Business Group was at THB 141,520 million.

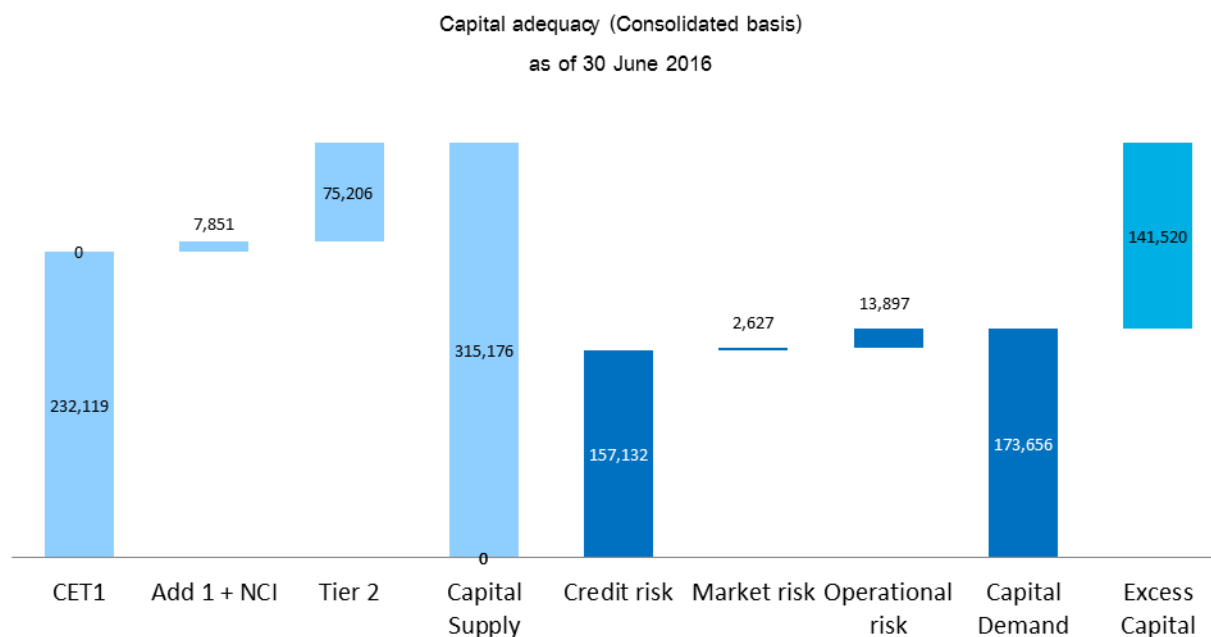


Table 3 Minimum Capital Requirements by Standardized Approach (SA)

Unit : Million Baht

Period Ending	Consolidated basis		Bank Only	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
<b>Credit Risk</b>	157,132	159,103	147,937	152,525
■ Performing assets	152,635	155,169	143,570	148,685
○ Claims on sovereign entities and claims treated as claims on sovereign entities <sup>1/</sup>	1,095	974	1,107	974
○ Claims on financial institutions and claims treated as claims on financial institutions <sup>2/</sup>	7,419	8,173	7,235	8,334
○ Claims on corporate entities and claims treated as claims on corporate entities <sup>3/</sup>	85,932	87,855	84,567	88,149
○ Claims on retail portfolios	32,188	33,298	30,954	31,212
○ Residential mortgage exposures	11,195	11,651	11,195	11,651
○ Other assets	14,806	13,218	8,511	8,365
■ Non-Performing assets	4,497	3,933	4,367	3,840
<b>Market Risk</b>	2,627	1,870	2,633	1,842
■ Interest rate risk	2,121	1,488	2,114	1,475
■ Equity price risk	3	20	0.4	4.8
■ Foreign exchange rate risk	501	361	519	362
■ Commodity price risk	2	1	0	0
<b>Operational Risk</b>	13,897	13,505	13,381	12,974
<b>Total minimum capital requirements</b>	173,656	174,477	163,951	167,340
<b>Total risk-weighted assets</b>	2,042,949	2,052,672	1,928,834	1,968,708

<sup>1/</sup> Claims on sovereign entities, central banks, multilateral development banks (MDB) and claims on non-central government public sector entities treated as claims on sovereign entities

<sup>2/</sup> Claims on financial institutions and securities companies and claims on non-central government public sector entities treated as claims on financial institutions

<sup>3/</sup> Claims on corporate entities and claims on non-central government public sector entities treated as claims on corporate entities

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

Features		Non-cumulative preferred share
1	Issuer	Krung Thai Bank Public Company Limited
2	Unique identifier	TH0150020Z01, TH0150020Z19, TH0150020R19
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Common equity tier 1
4	Are criteria of the capital complying with Basel III?	Yes
5	If not comply with Basel III, please specify	-
6	Phased out or Full amount	Full amount
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	28
9	Par value of instrument (Unit : Baht)	Changed par value from 10 Baht to 5.15 Baht
10	Accounting classification	Shareholders' equity
11	Original date of issuance	-
12	Perpetual or dated	Perpetual
13	Original maturity date	-
14	Issuer call subject to prior supervisory approval	No
15	Optional call date , contingent call dates and redemption amount	-
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	coupon rate and any related in index	Receive dividend and a fixed 3 percent per annual
19	Existence of dividend stopper	No
20	Fully discretionary , partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	Yes
30	If write - down, write-down trigger (s)	From 10 Baht to 5.15 Baht
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

Features		Hybrid bond USD
1	Issuer	Krung Thai Bank Public Company Limited
2	Unique identifier	XS0270856106
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Additional tier 1
4	Are criteria of the capital complying with Basel III?	No
5	If not comply with Basel III, please specify	Step-up bond, Not able to absorb losses on a going-concern basis, No criteria for PONV on a going-concern basis
6	Phased out or Full amount	Phase out over 10 year horizon beginning January 1, 2013 and cannot regard as the capital tier in full amount after the first redemption date
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	5,308
9	Par value of instrument	USD 1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	10-Oct-2006
12	Perpetual or dated	dated
13	Original maturity date	Redemption when the business close down
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	10-Oct-2016
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed, Floating
18	coupon rate and any related in index	Fixed 7.378% (10 year) From 10 Oct 2006 – 9 Oct 2016 and Float rate LIBOR USD 6M + 3.27% Since 10 Oct 2016
19	Existence of dividend stopper	Yes
20	Fully discretionary , partially discretionary or mandatory	Partially discretionary and mandatory
21	Existence of step up or other incentive to redeem	Yes
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital , Non-cumulative preferred share

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

Features		KTBO6PA
1	Issuer	Krung Thai Bank Public Company Limited
2	Unique identifier	TH015003QB18
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Additional tier 1
4	Are criteria of the capital complying with Basel III?	No
5	If not comply with Basel III, please specify	Step-up bond, Not able to absorb losses on a going-concern basis, No criteria for PONV on a going-concern basis
6	Phased out or Full amount	Phase out over 10 year horizon beginning January 1, 2013 and cannot regard as the capital tier in full amount after the first redemption date
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	1,075
9	Par value of instrument (Unit : Baht)	1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	28-Nov-2006
12	Perpetual or dated	dated
13	Original maturity date	Redemption when the business close down
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	28-Nov-2016
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating
18	coupon rate and any related in index	Avg-Fix-6M (individual) quoted by top 5 commercial bank + 2.55% From 28 Nov 2006 – 27 Nov 2016 Avg-Fix-6M (individual) quoted by top 5 commercial bank + 3.55% Since 28 Nov 2016
19	Existence of dividend stopper	Yes
20	Fully discretionary , partially discretionary or mandatory	partially discretionary and mandatory
21	Existence of step up or other incentive to redeem	Yes
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital , Non-cumulative preferred share



Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

Features		KT223A
1	Issuer	Krung Thai Bank Public Company Limited
2	Unique identifier	TH0150032306
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Tier 2 capital
4	Are criteria of the capital complying with Basel III?	No
5	If not comply with Basel III, please specify	No criteria for PONV on a going-concern basis
6	Phased out or Full amount	Phase out over 10 year horizon beginning January 1, 2013 (beginning Amortised 2017)
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	5,155
9	Par value of instrument (Unit : Baht)	1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	16-Mar-2012
12	Perpetual or dated	dated
13	Original maturity date	16-Mar-2022
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	16-Mar-2017
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	coupon rate and any related in index	4.50%
19	Existence of dividend stopper	No
20	Fully discretionary , partially discretionary or mandatory	No
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital , Non-cumulative preferred share, Hybrid Bond

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

Features		KT B22NA
1	Issuer	Krung Thai Bank Public Company Limited
2	Unique identifier	TH0150032B05
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Tier 2 capital
4	Are criteria of the capital complying with Basel III?	No
5	If not comply with Basel III, please specify	No criteria for PONV on a going-concern basis
6	Phased out or Full amount	Phase out over 10 year horizon beginning January 1, 2013 (beginning Amortised 2017)
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	15,133
9	Par value of instrument (Unit : Baht)	1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	2-Nov-2012
12	Perpetual or dated	dated
13	Original maturity date	2-Nov-2022
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	2-Nov-2017
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	coupon rate and any related in index	4.60%
19	Existence of dividend stopper	No
20	Fully discretionary , partially discretionary or mandatory	No
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital , Non-cumulative preferred share,Hybrid Bond

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

Features		Euro MTN
1	Issuer	Krung Thai Bank Public Company Limited, acting through its Cayman Islands branch
2	Unique identifier	XS1080078691
	<i>Regulatory treatment</i>	
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Tier 2 capital
4	Are criteria of the capital complying with Basel III?	Yes
5	If not comply with Basel III, please specify	-
6	Phased out or Full amount	Full amount
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	22,719
9	Par value of instrument (Unit : Baht)	USD 1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	26 มิถุนายน 2557
12	Perpetual or dated	dated
13	Original maturity date	26 ธันวาคม 2567
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	26 ธันวาคม 2562
16	Subsequent call dates, if applicable	-
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Fixed
18	coupon rate and any related in index	5.20% from 26 Jun. 2014 - 26 Dec. 2019 US Treasury 5Y+3.535% from 26 Dec. 2519 - 26 Dec. 2024
19	Existence of dividend stopper	No
20	Fully discretionary , partially discretionary or mandatory	No
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Paid-up share capital , Non-cumulative preferred share,Hybrid Bond

Table 16 Main features of regulatory capital instruments for the Bank and the Financial Business Group

(Continued)

หัวข้อ		MYR MTM
1	Issuer	Krung Thai Bank Public Company Limited, acting through its Cayman Islands branch
2	Unique identifier	MYBPN1500130
<i>Regulatory treatment</i>		
3	Elements of capital (Common equity tier 1, Additional tier 1, tier 2 capital)	Tier 2 capital
4	Are criteria of the capital complying with Basel III?	Yes
5	If not comply with Basel III, please specify	-
6	Phased out or Full amount	Full amount
7	Eligible at solo basis / Full consolidation / solo basis and Full consolidation	Solo basis and Full consolidation
8	Amount recognised in regulatory capital (Unit : Million Baht)	9,091
9	Par value of instrument (Unit : Baht)	MYR 1,000
10	Accounting classification	Liability - fair value option
11	Original date of issuance	6 July 2015
12	Perpetual or dated	dated
13	Original maturity date	4 July 2025
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date , contingent call dates and redemption amount	6 July 2020
16	Subsequent call dates, if applicable	-
<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Fixed
18	coupon rate and any related in index	5.10%
19	Existence of dividend stopper	No
20	Fully discretionary , partially discretionary or mandatory	No
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	No
24	If convertible, conversion trigger (s)	-
25	If convertible, fully or partially	-
26	If convertible, conversion rate	-
27	If convertible, specify instrument type convertible into	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write - down feature	No
30	If write - down, write-down trigger (s)	-
31	If write - down, full or partial	-
32	If write - down, permanent or temporary	-
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately)	Paid-up share capital , Non-cumulative preferred share,Hybrid Bond

Table 17 Reconciliation of Capital from Consolidated Supervision Financial Statement

Unit : Million Baht

Capital related items as of June 2016	Balance sheet as in published financial statements <sup>a/</sup>	Balance sheet as under regulatory scope of consolidation <sup>b/</sup>	References
<b>Assets</b>			
▪ Cash	69,629	69,527	-
▪ Interbank and money market items, net	494,821	494,429	-
▪ Claim on securities	38,297	38,297	-
▪ Derivative assets	26,467	26,466	-
▪ Investments, net	223,118	223,946	-
▪ Investments in subsidiaries and associates, net	19,929	21,797	-
▪ Loans to customers and accrued interest receivables, net	1,877,880	1,833,341	-
o Loans to customers	1,978,233	1,929,623	-
o Accrued interest receivables	3,185	2,766	-
Total Loans to customers and accrued interest receivables	1,981,418	1,932,389	-
o <u>Less</u> Deferred revenue	4,866	5,420	-
o <u>Less</u> Allowance for doubtful accounts	98,288	93,244	Q
o <u>Less</u> revaluation allowance for debt restructuring	384	384	-
Total Loans to customers and accrued interest receivables, net	1,877,880	1,833,341	-
▪ Customers' liabilities under acceptances	82	82	-
▪ Properties for sale, net	28,174	28,174	-
▪ Premises and equipment, net	24,845	26,251	-
▪ Goodwill and other intangible assets, net	4,254	4,248	-
o Goodwill, net	0	300	L
o Other intangible assets, net	4,254	3,948	M
▪ Deferred tax assets	5,394	4,348	N
▪ Accrued income	3,633	3,633	-
▪ Other assets, net	14,325	17,239	-
<b>Total assets</b>	<b>2,830,848</b>	<b>2,791,778</b>	
<b>Liabilities</b>			
▪ Deposits	2,081,903	2,082,586	-
▪ Interbank and money market items, net	228,472	222,879	-
▪ Liabilities payable on demand	5,928	5,928	-
▪ Liabilities to deliver securities	38,297	38,297	-
▪ Financial liabilities designated at fair value	0	0	-
▪ Derivative liabilities	31,129	31,108	-
▪ Debt issued and borrowings	120,048	90,407	-
o subordinated debentures	53,652	53,652	-
Qualified as capital	52,099	52,099	P
Non-qualified as capital	1,553	1,553	-
o Hybrid debt capital instruments	8,107	8,107	-
Qualified as capital	6,382	6,382	O
Non-qualified as capital	1,725	1,725	-
o Other - Non-qualified as capital	58,289	28,648	-
▪ Bank's liabilities under acceptances	82	82	-
▪ Provisions	15,430	15,422	-
▪ Deferred tax liabilities	0	593	-
▪ Other liabilities	43,668	42,669	-
<b>Total liabilities</b>	<b>2,564,957</b>	<b>2,529,972</b>	

Table 17 Reconciliation of Capital from Consolidated Supervision Financial Statement (Continued)

Unit : Million Baht

Capital related items as of June 2016	Balance sheet as in published financial statements <sup>a/</sup>	Balance sheet as under regulatory scope of consolidation <sup>b/</sup>	References
<b>Equity</b>			
▪ Issued and paid-up share capital	72,005	72,005	-
o Preferred shares	28	28	A
o Common shares	71,977	71,977	B
▪ Premium on share capital	20,834	20,834	-
o Premium on preferred shares	0	0	-
o Premium on common shares	20,834	20,834	C
▪ Other components of equity	20,456	20,483	-
o Appraisal surplus on assets	6,345	6,345	-
Qualified as capital	6,337	6,337	F
Non-qualified as capital	8	8	-
o Revaluation surplus on investments	14,169	13,928	-
Revaluation surplus on Equity investments	6,771	6,530	G
Revaluation surplus on Debt securities	7,398	7,398	H
o Gains (losses) from translating the financial statements	-58	0	I
o Gains (losses) from the fair value of hedging instrument for cash flow hedge reserve	0	260	J
▪ Retained earning	147,991	146,774	-
o Appropriated	7,200	132,075	-
Legal reserve	7,200	7,200	D
Net profit after appropriation		124,875	E
o Unappropriated	140,791	14,699	-
Unappropriated Net profit	140,791	16,146	-
Others		0	K
o Total equity attributable to equity holders of the bank	261,286	260,096	-
▪ Non-controlling interest	4,605	1,710	-
<b>Total equity</b>	<b>265,891</b>	<b>261,806</b>	
<b>Total liabilities and equity</b>	<b>2,830,848</b>	<b>2,791,778</b>	

<sup>a/</sup> Balance sheet as in published financial statements means financial statement for consolidated basis reported to SET

<sup>b/</sup> Balance sheet as under regulatory scope of consolidation means financial statement for consolidated basis under BOT's regulation which does not include non-life and life insurance companies, and companies where the Bank controls and holds less than 50 percent of paid-up shares capital.

Table 17 Reconciliation of Capital from Consolidated Supervision Financial Statement (Continued)

Unit : Million Baht

Items	Component of regulatory capital reported by financial group	References base on balance sheet under the consolidated supervision
<b>Common Equity Tier 1 (CET1)</b>		
▪ Paid-up share capital	72,005	A + B
▪ Net premium (discount)	20,834	C
▪ Statutory reserves	7,200	D
▪ Reserve appropriated from the net profit	0	-
▪ Net profit after appropriation	124,875	E
▪ Other comprehensive income (OCI)	17,536	
o Change in revaluation surplus on land and premises	6,337	F
o Gains (losses) on remeasuring available for sale investment	10,969	
Gains (losses) on remeasuring available for sale investment of equity securities	6,530	G
Gains (losses) on remeasuring available for sale investment of debt securities	4,439	H
o Gains (losses) arising from translation the financial statements of foreign operations	-30	I
o Gains (losses) from the fair value of hedging instrument for cash flow hedge reserve	260	J
▪ Owner changes	0	-
<b>Total Common Equity Tier 1 (CET1) before adjustment and deduction items</b>	<b>242,450</b>	
<b>Deductions items from Common Equity Tier 1</b>		
▪ Net Losses	(1,461)	K
▪ Goodwill	(260)	L 1/
▪ Intangible Assets	(2,369)	M
▪ Deferred tax assets	(3,755)	N 2/
▪ Investment in equity including warrants to purchase shares that counted as CET 1 of other financial institutions and other Financial Business Group	(1,453)	-
▪ Investments in equity securities including investments in warrants to purchase shares of any company that the Financial Conglomerate holds more than 10 percent of the company's paid-up shares	(1,033)	-
<b>Total deduction items for Common Equity Tier 1 (CET1)</b>	<b>(10,331)</b>	
<b>Total Common Equity Tier 1 (CET1)</b>	<b>232,119</b>	
<b>Additional Tier 1 : instruments</b>		
▪ Funds received from debt instruments subordinated to depositors, general creditors, Subordinated creditors and holders of Tier 2 capital instruments	6,382	O
▪ Transaction under subsidiary and association only for non-controlling interest and outside the scope that countable as Tier 1 of financial instruments of consolidated financial institutions	1,489	-
<b>Total Additional Tier 1 : instruments before deduction items</b>	<b>7,871</b>	
<b>Deductions items from Additional Tier 1</b>		
▪ Investment in Additional Tier 1 of other financial institutions or other Financial Business Group	(20)	-
<b>Total deduction items for Additional Tier 1</b>	<b>(20)</b>	
<b>Total Additional Tier 1 : instruments</b>	<b>7,851</b>	
<b>Total Tier 1 Capital</b>	<b>239,970</b>	
<b>Tier 2 Capital</b>		
▪ Funds received from debt instruments subordinated to depositors and general creditors	52,099	P
▪ General provision	23,108	Q 3/
<b>Total Tier 2 Capital before deduction items</b>	<b>75,206</b>	
<b>Total deduction items for Additional Tier 2</b>	<b>-</b>	
<b>Total Tier 2 Capital</b>	<b>75,206</b>	
<b>Total Regulatory Capital</b>	<b>315,176</b>	

<sup>1/</sup> Goodwill after the deduction of deferred tax liability

<sup>2/</sup> Net deferred tax asset related to performance

<sup>3/</sup> 1.25 percent of credit risk weighted assets

Table 18 Capital fund during Basel III transitional Period for the Bank

Unit : Million Baht

Amount as of 30 June 2016		Remaining amount subject to transitional adjustment under Basel III
<b>Tier 1 Capital :</b>		
<u>Common Equity Tier 1 (CET1) : instruments and reserves</u>		
▪ Common Equity Tier 1 : instruments and reserves	230,698	70
▪ <u>Less</u> Deductions from Common Equity Tier 1	(5,317)	(345)
<b>Total Common Equity Tier 1</b>	<b>225,381</b>	
<u>Additional Tier 1</u>		
▪ Additional Tier 1 : instruments	6,382	(6,382)
▪ <u>Less</u> Deductions from Additional Tier 1	0	
<b>Total Additional Tier 1</b>	<b>6,382</b>	
<b>Tier 1 Capital</b>	<b>231,763</b>	
<b>Tier 2 Capital :</b>		
▪ Tier 2 Capital : instruments and general provisions	73,854	(52,099)
▪ <u>Less</u> Deductions from Tier 2 Capital	0	
<b>Tier 2 Capital</b>	<b>73,854</b>	
<b>Total Regulatory Capital</b>	<b>305,617</b>	



Table 18 Capital fund during Basel III transitional Period for the Financial Business Group

Unit : Million Baht

Amount as of 30 June 2016		Remaining amount subject to transitional adjustment under Basel III
<b>Tier 1 Capital</b>	<b>239,970</b>	
<b>Common Equity Tier 1 (CET1) : instruments and reserves</b>	<b>232,119</b>	
▪ Paid-up share capital	71,977	
▪ Net premium (discount)	20,834	
▪ Non-cumulative preferred share	28	
▪ Statutory reserves	7,200	
▪ Reserve appropriated from the net profit	-	
▪ Net profit after appropriation	124,875	
▪ Other comprehensive income (OCI)	17,536	
◦ Change in revaluation surplus on land and premises	6,337	
◦ Gains (losses) on remeasuring available for sale investment	10,968	
Gains (losses) on remeasuring available for sale investment of equity securities	6,530	
Gains (losses) on remeasuring available for sale investment of debt securities	4,439	2,959
◦ Gains (losses) arising from translation the financial statements of foreign operations	- 30	(20)
◦ Gains (losses) from the fair value of hedging instrument for cash flow hedge reserve	260	
◦ Gain (Losses) from Hedge of Net Investment in Foreign Operation	0	
◦ Owner changes	-	
▪ Non-controlling interest given recognition in common equity tier 1	-	
▪ Deductions from Common Equity Tier 1	(10,331)	
◦ Net Losses	(1,461)	
◦ Goodwill	(260)	
◦ Intangible Assets	(2,369)	(1,579)
◦ Deferred tax assets	(3,755)	
◦ Investment in equity including warrants to purchase shares that counted as CET 1 of other financial institutions and other Financial Business Group	(1,453)	
◦ Investments in equity securities including investments in warrants to purchase shares of any company that the Financial Conglomerate holds more than 10 percent of the company's paid-up shares	(1,033)	
<b>Additional Tier 1 : instruments</b>	<b>7,851</b>	
Funds received from debt instruments subordinated to depositors, general creditors,		
▪ Subordinated creditors and holders of Tier 2 capital instruments	6,382	- 6,382
Transaction under subsidiary and association only for non-controlling interest and outside the scope that countable as Tier 1 of financial instruments of consolidated financial institutions	1,489	
▪ Deductions from Additional Tier 1	(20)	
◦ Investment in Additional Tier 1 of other financial institutions or other Financial Business Group	(20)	
<b>Tier 2 Capital</b>	<b>75,206</b>	
▪ Funds received from debt instruments subordinated to depositors and general creditors	52,099	- 52,099
▪ General provision	23,108	
▪ Non-controlling interest given recognition in tier 2 capital	-	
▪ Deductions from Tier 2 Capital	-	
<b>Total Regulatory Capital</b>	<b>315,176</b>	

