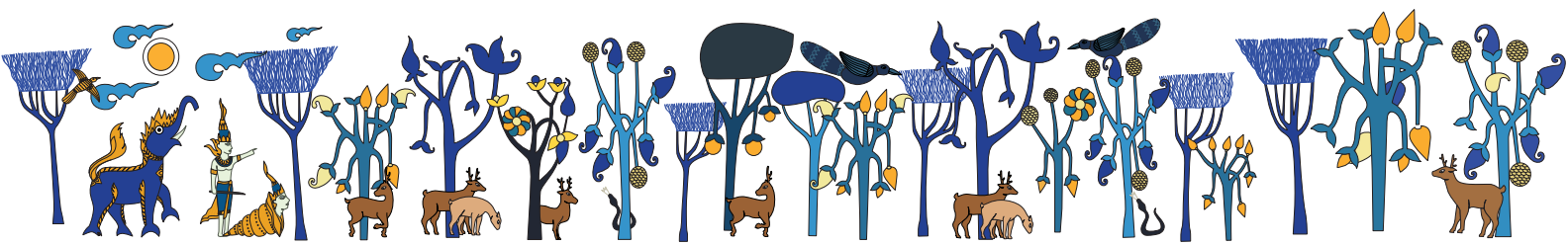


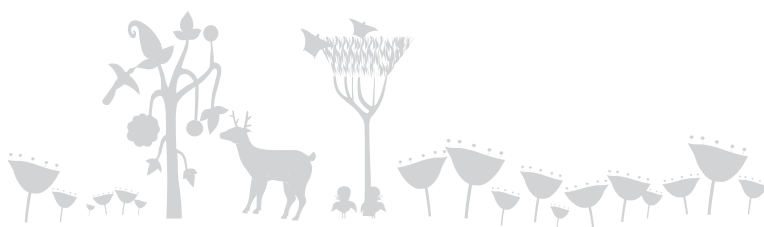


Contents

04	Milestone	140	Personnel
06	Vision and Mission	144	Corporate Governance Policy and Practices
07	Awards and Ranking	165	Supervision of Subsidiaries and Affiliates
08	Financial Highlights	166	Supervision of Usage of Internal Information
11	Message from the Board of Directors	167	Auditor's Remuneration
14	Board of Directors	168	Internal Controls
16	Executive Committee	174	Related Party Transactions
18	Policy and Business Overview	178	Responsibility of the Board of Directors to the Financial Report
27	Business Operation	179	Report of the Audit Committee
59	Risk Factors	181	Report of the Nomination and Remuneration Committee
67	General Information	183	Report of the Compliance and Governance Committee
70	Securities and Shareholders Information	185	Report of the Risk Management Committee
77	Dividend Policy	186	Report of the Executive Committee
78	Organization Structure	188	Management Discussion and Analysis
79	Management Structure	201	Credit Rating
92	Nomination and Appointment of Directors and Executives	202	Auditor's Report
94	Remuneration of Directors and Executives	203	Financial Statements
101	Profiles of the Directors, Executives, Controlling Persons and Corporate Secretary	212	Note to the Financial Statements
138	Directorship of Directors and Executives in Subsidiaries, Associated Companies and Related Companies		
139	Directors of Subsidiaries		

Please see Corporate Social Responsibility Report 2015.





Milestone

Kiatnakin Phatra Financial Group

**1993**

Kiat Wattanavekin established Kiatnakin Finance and Securities Company Limited with registered capital of Baht 10 million.

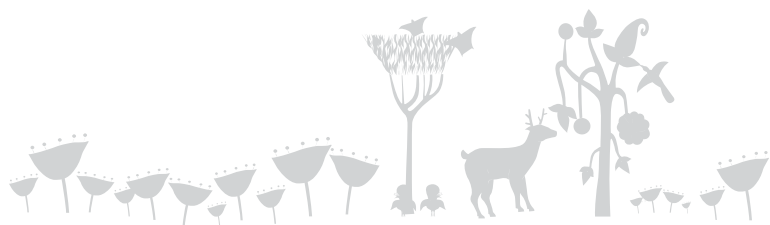
1997

Became a public company limited.

1998

Forced to temporarily suspend operations (together with 57 other financial institutions) due to an economic crisis.

Was one of two companies granted permission by the Ministry of Finance to resume business operations.



2005

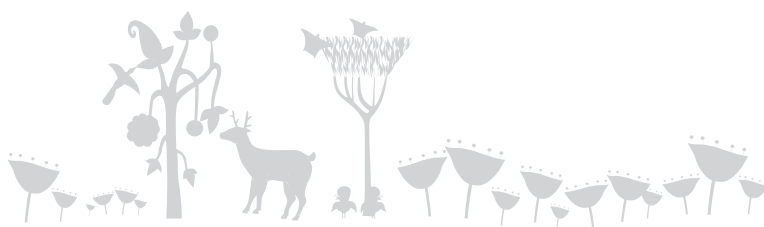
Granted permission by the Ministry of Finance to be established as a commercial bank under the name “Kiatnakin Bank Public Company Limited” on October 3, 2005.



2012

Kiatnakin Bank Public Company Limited and Phatra Capital Public Company Limited announced the completion of a merger to become **“Kiatnakin Phatra Financial Group”** on September 13, 2012, offering clients a full range of services in commercial banking and capital market businesses. The Financial Group focuses on service excellence through expertise in numerous core businesses, in order to meet the needs of individual, business, and corporate clients – domestic and foreign – as well as to promote development and maximize benefits for Thailand’s capital markets, stock exchange, and economy, while operating with good governance.

Kiatnakin Phatra Financial Group by Kiatnakin Bank Public Company Limited is listed as **“KKP”** on the Stock Exchange of Thailand.

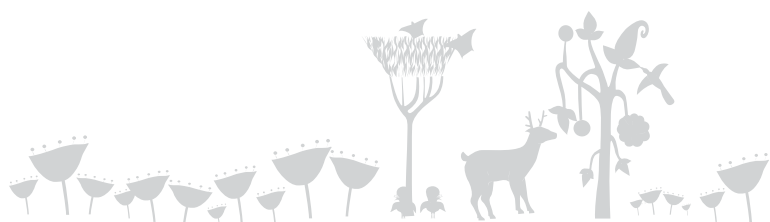


Vision

To attain business growth
along with the success
of Clients and society

Mission

To provide resources
to clients properly,
adequately and proficiently
through services
beyond expectation
and none like others



Awards and Ranking



“A-”

Credit Rating by TRIST Rating Co.,Ltd.
The Bank and its debentures were rated “A-”
with “POSITIVE” outlook by TRIS Rating Co.,Ltd.

Excellent Top 100 Scores

Received “Excellent Top 100 Scores” for the ninth consecutive years from Annual General Meeting (AMG) in 2007 - 2015, conducted by Thai Investor Association (TIA) and the Securities and Exchange Commission Thailand (SEC).

“Investors Choice Award”

Received “Investors' Choice Award” 100 Scores for the fourth consecutive years (2009-2014), from Annual General Meeting (AGM), conducted by Thai Investor Association (TIA) and the Securities and Exchange Commission Thailand (SEC) and The Stock Exchange of Thailand (SET).

SET Award of Honor

(Corporate Governance Report)
Received “SET Award of Honor” (2007-2014) by the Stock Exchange of Thailand (SET) and Money and Banking Magazine.

SET Awards

(Outstanding Corporate Social Responsibility)
Received “Outstanding Corporate Social Responsibility Awards” (2012-2014) (SET market capitalization of over 10 billion baht) For the second consecutive years by the stock Exchange of Thailand (SET) and Money and Banking Magazine.

Thailand Sustainability Investment 2015

One of 51 listed companies with prime performance on environmental, social and governance (ESG) aspects, granted by The Stock Exchange of Thailand (SET), the Securities and Exchange Commission, Association of Investment Management Companies, Thai Listed Companies Association, Association of Thai Securities Companies, Thai Institute of Directors and Khon Thai Foundation.



Finance Asia

- 2015** Country Awards - Best Private Bank
- 2014** Country Awards - Best Private Bank
- 2013** Country Awards - Best Equity House, Best Investment Bank, Best Private Bank
- 2013** Country Awards- Best IPO in the Region - BTSGIF USD 2.1 bn
- 2013** Country Awards - Best Thailand Deal - BTMU USD 5.6 bn offer for BAY

Alpha Southeast Asia

- 2015** Best Investment Bank, Best Institutional Broker, Best Private Wealth Management Bank
- 2015** Best Bond Deal of the Year in Southeast Asia (CP ALL's THB 20 billion unsecured debt)
- 2014** Best Institutional Broker and Best Private Wealth Management Bank
- 2014** Best Bond Deal in Southeast Asia for Retail Investors - CP ALL
- 2013** Best Investment Bank and Best Equity House

The Asset

- 2015** Triple A Country Awards - Best M & A House
- 2014** Triple A Country Awards - Best Investment House
- 2013** Triple A Country Award - Best Investment Bank and Best Equity House
- 2013** Triple A Country Award- Best Deal - The Bank of Tokyo-Mitsubishi UFJ Limited's USD 5.6 bn offer for Bank of Ayudhya PCL

IAA

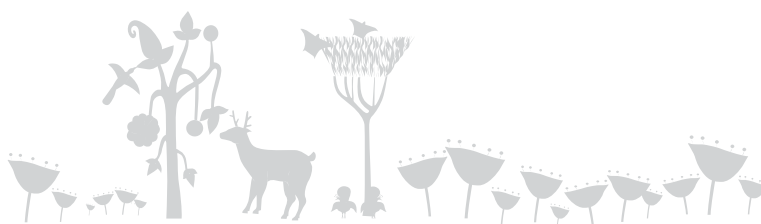
- 2014** Best Research House
- 2014** Best Analyst - Energy & Petrochemicals, Property, Construction Materials & Construction Services, Agro & Food Industry
- 2013** Best Research House
- 2013** Best Analyst - Energy & Petrochemicals, Construction Materials & Services, Agro & Food Industry, Technology, Financials

IFR Asia Awards

- 2014** Asia Pacific Best Structure Equity Deal of the Year (CPF)
- 2013** Asia Equity Issue of the Year (BTSGIF IPO)
- 2013** Thailand Equity Issue of the Year (BTSGIF IPO)

Asia Money

- 2015** Best Local Brokerage in Thailand
- 2014** Best Equity House in Thailand



Financial Highlights

The Consolidated Financial Statements

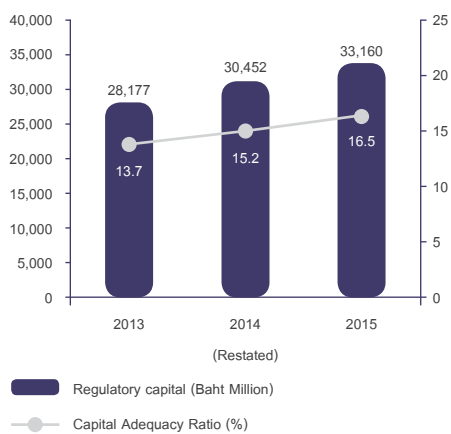
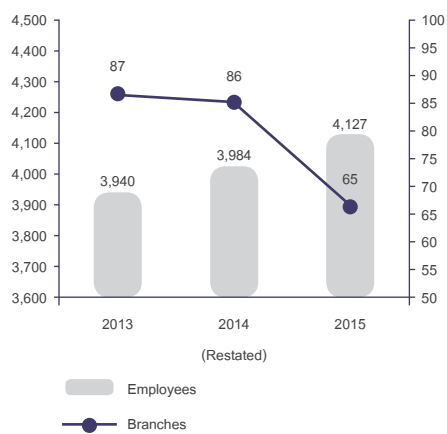
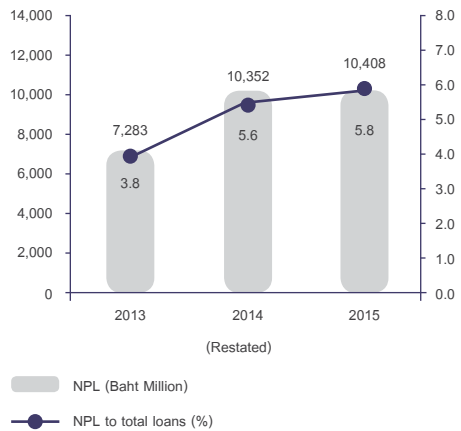
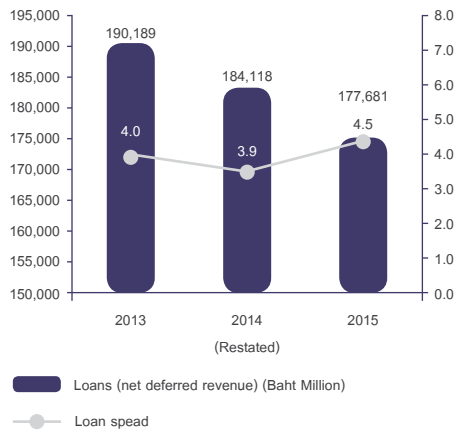
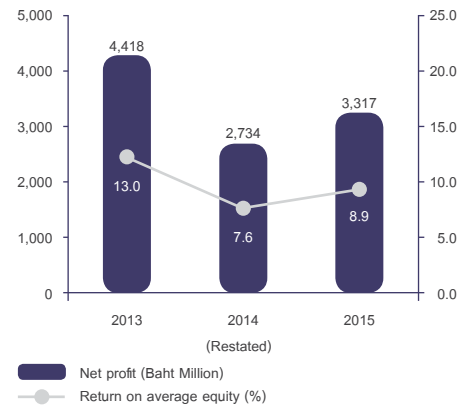
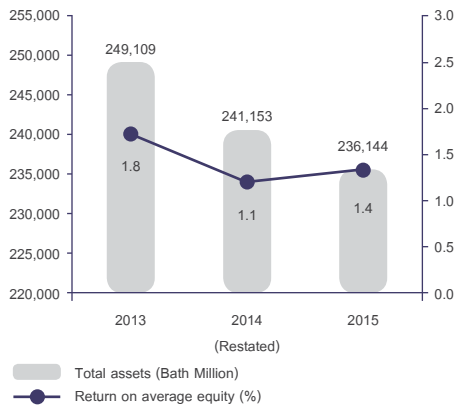
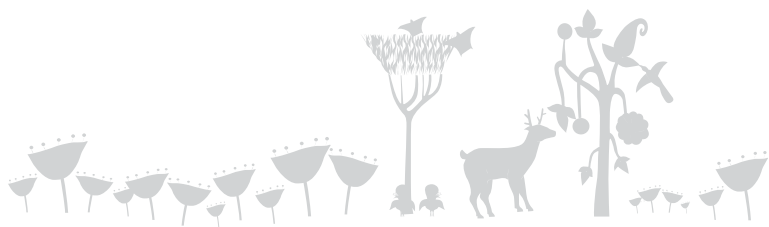
(Unit: Baht Million)

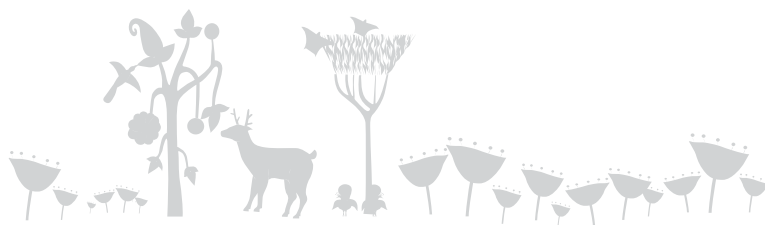
	2013	2014 (Restated)	2015
Financial Position			
Investment in receivables (net)	3,885	3,303	2,899
Loans (net deferred revenue)	190,189	184,118	177,681
Allowance for doubtful accounts & troubled debt restructuring	(7,275)	(8,321)	(9,546)
Total assets	249,109	241,153	236,144
Deposits	145,996	132,297	104,327
Debt issued and borrowings	42,569	42,772	61,085
Total liabilities	213,965	204,242	197,988
Total equity	34,944	36,682	37,929
Comprehensive Income			
Net interest income	8,347	8,913	9,449
Fees and services income (net)	4,357	3,452	3,471
Gain from sale of foreclosed assets	(55)	(1,279)	(381)
Total operating income*	14,211	12,633	14,676
Total operating expenses**	6,879	6,520	7,017
Impairment loss of loans and debt securities	2,240	3,199	3,208
Profit from operating before income tax expenses	5,391	3,163	4,027
Net profit (attributable to equity holder of the Bank)	4,418	2,734	3,317
Financial Ratio			
Return on average equity	13.0	7.6	8.9
Return on average assets	1.8	1.1	1.4
Loan spread	4.0	3.9	4.5
Loan to deposit and borrowing	101.2	105.5	107.6
NPL to total loans	3.8	5.6	5.8
Loan loss reserve to NPL	98.4	80.5	91.9
Cost to income ratio	48.4	51.6	47.8
Capital Adequacy Ratio	13.7	15.2	16.5
Branches and Employees			
Branches	87	86	65
Employees (persons)	3,940	3,984	4,127
KK Share Information			
Share price			
- High (Baht)	71.25	48.00	41.00
- Low (Baht)	36.00	34.25	29.50
- Close (Baht)	37.25	39.50	36.25
- Average (Baht)	52.87	42.22	35.58
No. of outstanding shares ('000 shares)	838,833	842,834	846,751
Market capitalization (Baht Million)	31,247	33,292	30,695
EPS			
- Basic (Baht)	5.29	3.25	3.92
- Diluted (Baht)	5.25	3.24	3.92
PE ratio (time)	7.01	10.48	10.87
PBV ratio (time)	0.92	0.93	0.83
Book value per share (Baht)	42.2	43.8	45.1
Dividend per share (Baht)***	2.65	1.85	3.00
Dividend payout (%)	50.3	56.92	76.53
Dividend yield (%)	7.11	4.68	8.28
Credit ratings by TRIS Rating Co., Ltd.			
Company rating	A-	A-	A-
Rating outlook	Positive	Positive	Stable

* Operating income included loss on NPA

** Operating expenses excluded loss on NPA and NPA fair value adjustment

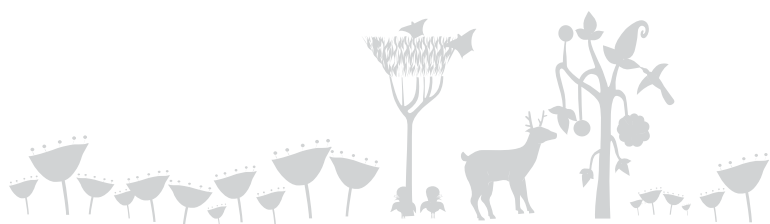
*** Dividend payment for the year 2015 at the rate of Baht 3.00 per ordinary share will be proposed to the 2016 Annual General meeting of Shareholders on April 25, 2016 for approval. The Bank has paid the interim dividend at the rate of Baht 1.00 per share on September 25, 2015. The remaining Baht 2.00 per share will be paid upon the approval from such shareholders' meeting.





Mr. Supol Wattanavekin
Chairman of the Board of Directors

Mr. Banyong Pongpanich
Chairman of the Executive Committee



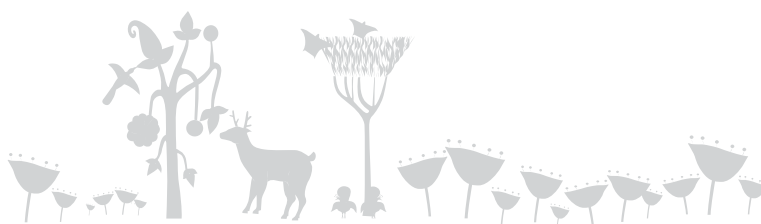
Message from the Board of Directors

In 2015, Kiatnakin Phatra Financial Group (“the Group”) had positive and significant developments in several aspects regarding its competitive efficiency and sustainable growth, although Thailand’s economy had a low rate of expansion. The sluggish world economic performance had an impact on Thailand’s economy, while the slowdown in countries which are Thailand’s counterparties, especially China and ASEAN countries, led to a continual shrinkage in Thailand’s exports. Also, a number of domestic factors had an adverse effect on the Thai economy such as a decrease in agricultural production as a consequence of the drought, weak purchasing power (particularly in the agricultural sector), a high level of household debt, an increase in non-performing loans (NPLs) of SMEs, and a lack of expansion in private sector investment.

Thailand’s capital market has been affected by the global and domestic economic situation. The overall market capitalization in the Stock Exchange of Thailand (“SET”) and the MAI at the end of 2015 was valued at Baht 12.61 trillion, dropping 11.47% from the end of 2014. The average daily securities trading value in the SET and MAI in 2015 equaled Baht 44,302 million, decreasing 2.56% from Baht 45,466 million in 2014. The SET index at the end of 2015 closed at 1,288.02 points, down 14.00% from 1,497.67 points at the end of 2014.

Even though the country’s overall economic situation was not favorable, with a careful business operation aiming to generate synergies within the Group and to expand into new businesses to enhance its full commercial banking operating capabilities, the Group’s business performance in 2015 was satisfactory. The Group had net profit and total comprehensive income of Baht 3,425.55 million and Baht 3,228.31 million respectively, increasing 21.34% and 10.30% from year 2014 respectively.

The commercial banking business operation of the Group was managed cautiously, and as a result the Bank’s loan portfolio in 2015 contracted by 3.61% from 2014. Auto hire purchase loans declined by 6.44% and commercial loans contracted by 3.83%. In the meantime, corporate banking loans increased by 51.80%. The ratio of NPLs to total loans at the end of 2015 was 5.85%, slightly increasing from 5.61% at the end of 2014.



For the capital market business, the companies in the Group had a total market share in securities brokerage business in 2015 of 5.50%, ranked fourth among thirty-six brokers. The assets of high-net-worth individuals under advisory totaled approximately Baht 310 billion, up 8.87% from 2014. The investment banking and investment businesses of the Group also had a favorable performance. Moreover, the Group developed its investment strategy and offered services to clients in the form of private fund and mutual fund (Phatra Absolute Return Fund).

In addition to the above-mentioned financial results, in 2015 the Group had significant developments in several aspects for its competitive efficiency and sustainable growth, for instance, the branch rationalization to add service potential and serve the needs of target clients, new products and services including Lombard loans (the first of this type of loan in Thailand, which accepts liquid assets as collateral), KK Direct Debit, KK Smart Investment Service, KK Smart Gain, KK Smart Million and KK Free 55 Up, the captive financing of Suzuki vehicles, a new online service channel for applying for CarQuickCash (www.silkspan.com), cash deposit via Thailand Post, etc.

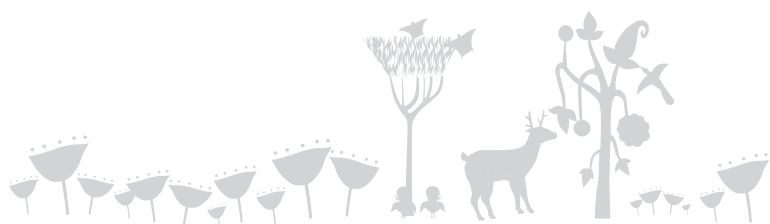
The Group has improved its risk management practices in a range of areas such as developing model and risk management instruments-Approval Scoring and Behavioral Scoring for credit risk management and CASA Model for liquidity risk management-and preparing for liquidity risk management in accordance with Basel III.

For corporate governance, the Group strives to upgrade its corporate governance to be more comparable to international standards. The Board of Directors therefore annually reviews its Corporate Governance Principles. During 2015, the Bank improved several corporate governance practices. For instance, the Bank's Board of Directors performed a self-assessment as individual directors for which the process and results were disclosed in the Form 56-1 and annual report. All committees under the Bank's Board of Directors' supervision prepared their committees' annual report and disclosed it in the Form 56-1

and annual report. Board skills matrix and directors' pool were used in nominating a new director. The Bank ensured the importance of compliance with its Guidelines for Business Conduct and Anti-corruption Policy and required all executives and employees of the Bank to do E-learning and test on the Guidelines for Business Conduct and Anti-corruption Policy. The Group also communicated and sought co-operation from clients, counterparties and outsiders in not providing gifts, entertainment or other remuneration to directors, executives and employees of the Group during the New Year festival or other occasions so that the Group's operation followed its intent of providing services with good corporate governance and was rigorously against all types of corruption. The strong intention and attempt to improve corporate governance has enabled the Bank to obtain many rewards and outstanding results in corporate governance assessment, including rated as "Excellent" from the annual corporate governance survey in 2015 of the Thai Institute of Directors (IOD).

In addition, the Bank realizes the importance of its responsibilities to society, community and the environment. Therefore its business operation has strictly complied with a written policy for conducting business with responsibility towards society. Consequently, the Bank's share has been nominated as one of the "2015 Thailand Sustainability Investment" list by the SET.

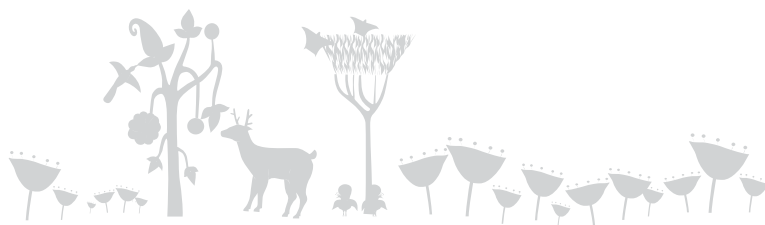
Besides these developments, the synergies within the Group in the previous year had good progress. For the private client business, the Group has focused on working in tandem to advance the private wealth management business in terms of the amount of assets under advisory and revenue generation. For the wholesale investment banking business, there has been co-operation among units in the capital market business and commercial banking business. Meanwhile, the investment business of the Group has been centralized in order to improve efficiency, provide good returns with appropriate risk levels, and benefit from utilizing the Bank's strong capital.



For 2015, the challenges facing the Group's business operation are the direction of the world economy and trade, health of the domestic economy, price trends for agricultural products, household debt, NPLs, increases in manufacturing costs and cost of living, and political stability. The Group will carefully make investments and expand its investment in businesses which have good trends and in which the Group has expertise and competence. It will try to maintain its current clients, gain more access to new target clients, build strong branding and increase synergies within the Group. Also, it will continue to focus on improving the performance of employees and executives, invest in information technology systems to increase efficiency in servicing and supporting business expansion and complexity, and continue to provide convenient and

quality services for clients through innovative solutions and channels to serve all lifestyles such as sales agent, online channel and virtual Internet banking. This is reflected in the Bank's slogan: "Kiatnakin Bank...BECOME A BETTER YOU". In the meantime, the Bank will constantly endeavor to improve its corporate governance and risk management in all aspects in order to minimize the potential for damage to its operations and reputation.

The Group's operation benefits from the support and cooperation of all parties including shareholders, clients, business allies, employees and executives. On this occasion, the Board of Directors would like to thank you and wish you happiness and success in your work and family life.



Board of Directors



Mr. Supol Wattanavekin
Chairman



Mrs. Dayana Bunnag
Independent Director



Assoc. Prof. Manop Bongsadadt
Independent Director



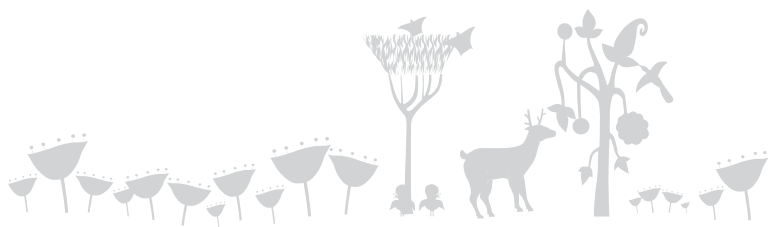
Mr. Chet Pattrakornkul
Independent Director



Mr. Pravith Varutbangkul
Independent Director



Mr. Pongtep Polanun
Independent Director



Mr. Tarnin Chirasoonton
Director



Mr. Suraphol Kulsiri
Director



Mr. Banyong Pongpanich
Director



Mr. Aphinant Klewpatinond
Director



Mr. Krittiya Veeraburus
Director



Ms. Thitinan Wattanavekin
Director



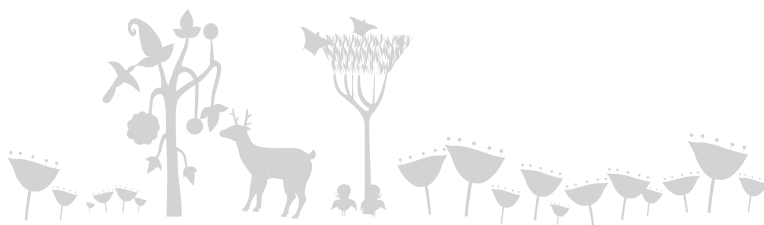
Mr. Suvit Mapaisansin
Director



Mr. Pracha Chumnarnkitkosol
Director



Mrs. Patraporn Milindasuta
Director



Executive Committee



Mr. Banyong Pongpanich
Chairman of the Executive Committee



Mr. Aphinant Klewpatinond
Member



Mr. Krittiya Veeraburus
Member



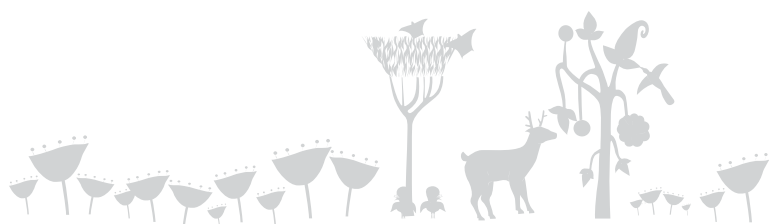
Ms. Thitinan Wattanavekin
Member

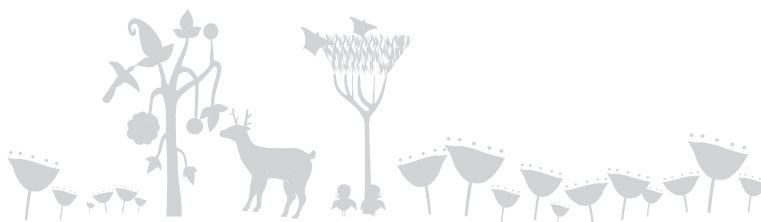


Mr. Suvit Mapaisansin
Member



Mr. Pracha Chumnarnkitkosol
Member





Policy and Business Overview

Background

The Group emerged from the merger between Kiatnakin Bank Public Company Limited (“the Bank”) and Phatra Capital Public Company Limited (“PHATRA”) on September 13, 2012 in order to synergize their business expansion and pursue the achievement of operational excellence in each of the core businesses of the Bank and PHATRA with the aim to combine their relevant banking expertise and capital market proficiency. As a result of the merger, the Bank acquired 99.93% of PHATRA and offered newly-issued ordinary shares of the Bank to PHATRA’s shareholders at a swap ratio of 1 share of PHATRA to 0.9135 shares of the Bank in accordance with the merger plan approved by the 2012 Annual General Meeting of Shareholders.

After the merger and until the present time, the Group operates two main businesses, namely commercial banking business operated by the Bank and capital market business operated by companies in the Group, which consists of PHATRA, Phatra Securities Public Company Limited (“PTSEC”), KKTRADE Securities Company Limited (“KKTRADE”) (previously known as Kiatnakin Securities Company Limited/ KKS) and Phatra Asset Management Company Limited (“PASSET”) (previously known as Kiatnakin Fund Management Company Limited/ KKF).

In 1971, the Bank was established as Kiatnakin Finance and Securities Company Limited with Baht 10 million in registered capital to operate the finance and securities businesses. The company was listed on the SET in 1988 before its transformation to a public company in 1993. Eventually, its finance business and securities businesses were separated in 1999.

Kiatnakin Finance and Securities Company Limited was operating at the time of the financial boom period and also experienced several national economic crises, especially the economic crisis in 1997 in which the company was one of the 57 financial institutions that were forced to temporarily discontinue operation. However with its perseverance, commitment and support from its strong alliances with shareholders, clients, management and

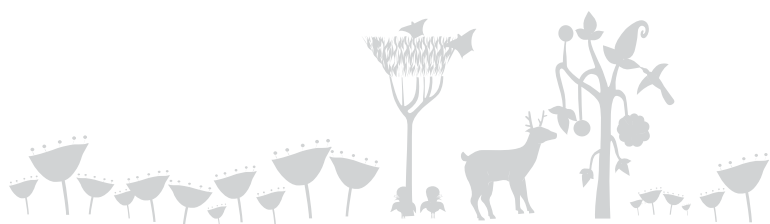
employees, the company was granted permission by the Ministry of Finance to resume business operation in 1998. The Company continued to steadily grow until it was granted permission to upgrade from a financial company to be “Kiatnakin Bank Public Company Limited” and began to operate as a commercial bank from October 3, 2005 onwards.

PHATRA is a holding company set up on April 1, 2010 as a public company limited under the business restructuring plan of PTSEC to engage directly in the investment business and hold shares in PTSEC.

PTSEC is a broker member of the SET (no.6). PTSEC was founded on September 17, 1997 under a policy of separating finance and securities businesses of Phatra Thanakit Finance and Securities Public Company Limited, set up in 1972, in order to carry on securities business. PTSEC’s main businesses consist of securities and derivatives brokerage business for local and foreign institutional clients in which PTSEC had Bank of America Merrill Lynch (“Merrill Lynch”) as its exclusive business partner and for high-net-worth individuals in which PTSEC operates private wealth management business focusing on asset allocation, investment banking business and investment business.

The Bank completed the additional share purchase of 40% of total shares sold of KKF from the Government Pension Fund (GPF) pursuant to the resolution of the Bank’s Board of Directors’ meeting no.7/2012 dated on September 7, 2012. The transaction was completed on September 28, 2012 when the total Baht 63 million was settled in exchange for 4.8 million shares of KKF. There was a record of goodwill totaling Baht 19 million from this transaction. Therefore, the Bank held 99.99% shares in KKF. Thereafter, the Bank transferred shares in KKF and KKS to PHATRA on December 28, 2012 and January 2, 2013 respectively in accordance with the merger plan. Consequently, the Bank holds 99.99% shares in KKS and KKF via PHATRA.

On September 25, 2012, the newly-issued ordinary shares of the Bank started trading in the SET, while



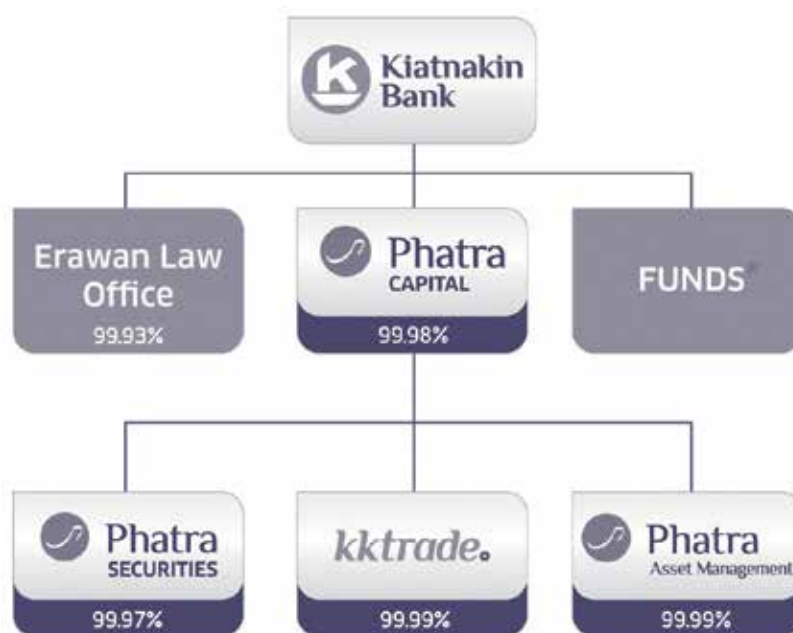
PHATRA's shares were delisted from the SET. Later, the Bank officially changed the stock trading ticker from "KK" to "KKP" effective from August 1, 2013 onwards.

Shareholding Structure of the Group

The Bank, the parent company of the Group, operates the commercial banking business. PHATRA is the Bank's subsidiary company, which is a holding company and operates an investment business. PHATRA has subsidiary companies which consist of PTSEC and KKTRADE, which are securities and derivatives brokers, and PASSET, which is the asset management company.

In addition, the Bank has Erawan Law Office Company Limited as its subsidiary providing legal services to the Bank and holds unit trusts in seven mutual funds for resolving financial institution problems.

The shareholding structure of the Group is as follows:



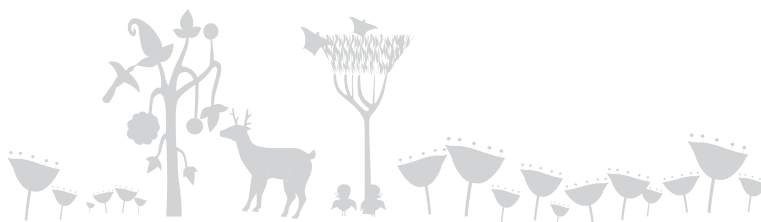
* The Bank holds 99.95% shares in Asia Recovery Fund 1, 99.59% shares in Asia Recovery Fund 2, 99.97% shares in Asia Recovery Fund 3, 98.91% shares in Thai Restructuring Fund, 98.77% shares in Asia Recovery Property Fund 3, 95.72% shares in Bangkok Capital Fund and 94.03% shares in Gamma Capital Fund.

The Bank's subsidiaries according to the Bank of Thailand's Consolidated Supervision Guidelines are as follows:

1. Solo Consolidation: None
2. Full Consolidation

2.1 Phatra Capital Public Company Limited/ PHATRA

PHATRA is a holding company operating an investment business. PHATRA has paid-up capital of Baht 1,051,651,200.



2.2 Phatra Securities Public Company Limited/ PTSEC

PTSEC operates securities businesses, which are securities brokerage, securities dealing, underwriting, securities borrowing and lending and investment advisory, and derivatives businesses, which are derivatives brokerage and derivatives dealing. In addition, PTSEC has registered as a financial advisor type A providing financial advisory services with the Ministry of Finance and has been granted permission by the SEC to act as a financial advisor and selling agent for limited BDU. PTSEC has paid-up capital of Baht 1,067,500,000.

2.3 KKTRADE Securities Company Limited/ KKTRADE

KKTRADE operates securities businesses, which are securities brokerage, securities dealing, debt securities trading and underwriting, and derivatives brokerage. KKTRADE has paid-up capital of Baht 500,000,000.

2.4 Phatra Asset Management Company Limited/ PASSET

PASSET operates mutual fund and private fund businesses and has paid-up capital of Baht 120,000,000.

2.5 Erawan Law Office Company Limited

Erawan Law Office Company Limited provides legal services regarding claims, litigations as well as legal advisory to the Bank and the funds in which the Bank holds unit trusts. Erawan Law Office Company Limited has paid-up capital of Baht 1,000,000.

Vision : To attain business growth along with the success of customers and society.

Mission : To provide resources to customers properly, adequately and proficiently through services beyond expectation and like none other.

For long-term strategy, the Group emphasizes the businesses in which it has expertise and competitiveness through the development of a wide range of financial and investment products to serve target clients' needs. To accomplish this, the Group strives to create business innovations, generate synergies within the Group, as well as expand into new businesses to enhance its full commercial banking operating capabilities.

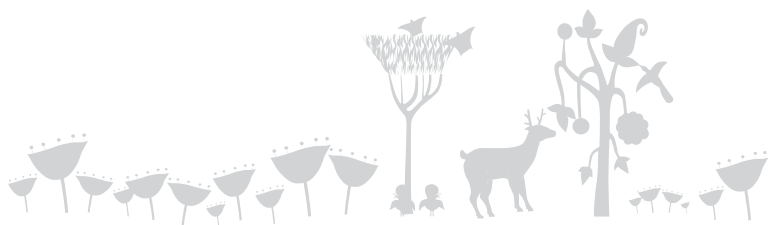
The Group plans to increase its service effectiveness and respond to various needs of clients through a variety of service channels. The Group also focuses on improving its internal business processes including risk management and efficient monitoring and control. For organizational development, the Group concentrates on human resources development, information system improvement and strengthening its corporate culture, which are fundamental for business development.

The Group has a policy on organizational development in five main areas as follows:

1. *Flexibility*: To be a highly flexible organization in order to be able to respond to various clients' needs;
2. *Speed*: To be able to service clients rapidly with its precise decision-making process;
3. *Innovation*: To be an innovative organization with a continuous product and process development to be in line with the market trend;
4. *Quality*: To be an organization with strong resources in the aspects of employees, capital and information systems; and
5. *Efficiency*: To be an effective organization by controlling its operating cost to a competitive level

Corporate Strategy

The Bank's Board of Directors has considered and set the Bank's vision and mission in order to be consistent with the current business strategy as follows:



Major Developments 2013-2014

Development of Products and Service Channels

- CarQuickCash

In 2014, the Bank has engaged in partnership agreements with B-Quik Company Limited ("B-Quik") and Counter Service Company Limited ("Counter Service"), a subsidiary of CPALL, to expand distribution channels of the Bank's CarQuickCash and CarQuickCash Pae-Pong through B-Quik Service Center and Counter Service within 7-Elevens nationwide. A partnership with B-Quik has greatly enhanced clients' convenience by allowing potential clients to apply and receive car check-ups at over 100 B-Quik service centers from 8:00-20:30 hrs. every day without an appointment. Application through Counter Service can be made 24 hours a day at over 8,000 7-Eleven branches by providing an ID card, car license number and contact number, whereupon clients are contacted by the Bank within the next business day.

The partnerships the Bank has engaged in with B-Quik and Counter Service emphasize the Bank's goal of continuously providing convenience services for clients through innovative solutions and channels to serve all lifestyles. This is reflected in our new slogan "Kiatnakin Bank...BECOME A BETTER YOU".

- Development of Electronic Service Channels for Retail Banking

The Bank aims to increasingly provide retail banking services through electronic channels. This is in order to respond to the target clients' needs, increase the number of alternative channels and create uniqueness of the Bank.

Since 2014, the Bank has started offering KK Smart SMS service, which sends alerts on net balance changes and account balances after financial transactions via SMS to clients' mobile phones. In addition, the Bank has launched KK Auto, which is a mobile application to facilitate clients in finding car prices and calculating car loans. It is also an alternative channel for clients to request a car loan with the Bank.

Furthermore, since 2014, the Bank has opened a cash deposit service via Cash Deposit Machine (CDM). Clients can deposit money to the Bank using the Cash Deposit Machine Network of all banks in Thailand.

- Entering into an Exclusive Bancassurance Agreement

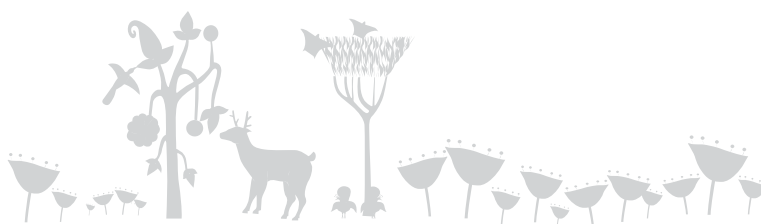
On December 18, 2014, the Bank engaged in an exclusive bancassurance agreement with Generali Life Assurance (Thailand) Public Company Limited ("Generali") for the period of fifteen years starting from 2015 onwards, to distribute life insurance, health insurance and personal accident insurance from Generali through various channels of the Bank. The partnership helps strengthen the Bancassurance business of the Bank as the Bank works closely with Generali to develop client-oriented and competitive products. Moreover, the Bank, together with Generali, has strived to equip the Bank's personnel with knowledge and understanding of life insurance in order to be able to better cater to clients' needs.

Development of Operational Efficiency

In order to serve business needs and increase the sustainable competitiveness and clients' satisfaction, the development of operational efficiency is a priority. In 2013 and 2014, efforts were focused on improving and stabilizing the operational system. The Bank emphasizes the central importance of clients and considers changes and competition in the industry, and has developed its operations as follows:

1. Operation Simplicity: The Bank utilizes information technology to facilitate clients using the Bank's services, aiming to simplify and shorten the service procedures suitable for each kind of transaction. These include process reengineering, process improvement and system integration in order to have a lean process and straight-through processing.

2. Operation Centralization: This is to reduce operational procedures at the sales and service point. Operation centralization also increases the quality of work by using skilled people and offers economy of scale.



3. Internal Control Improvement: The Bank values the importance of internal control improvement to create credibility on service quality.

4. Cost Optimization: The Bank endeavors to increase the effectiveness in resource usage rationalization, productivity improvement and procurement system.

Furthermore, in improving the operational efficiency, the Bank has also focused on personnel improvement for higher competency in service-providing and business expansion support as well as operation with ethics in accordance with the Bank's Guidelines for Business Conduct.

Recruitment of Personnel

Since the merger between the Bank and PHATRA in 2012, the Group's businesses are diverse and there have been numerous tasks to perform in order to achieve the strategic goal. Consequently, the Group has put great emphasis on recruiting personnel with expertise and experience which can support the Group to accomplish its objectives. The Group has started from organizational restructuring, aiming to help increase the effectiveness of the existing businesses, set up new businesses, create a check-and-balance system and synergize the benefits of the Group. When the new organizational structure was formed, the Group started from recruiting main personnel in senior executive posts (heads of business or support groups/ business departments) so that they could partake in recruiting their team using experience, knowledge and relationships.

During the past two years, the Group was able to recruit several valuable personnel with experience and expertise from leading local and international banks for the Financial Markets Group, Corporate Banking Group, Process and Product Improvement and Alternative Channels Group, Sales and Distribution Group, Human Resources Group, Information Technology Group, etc. The Group continues to value its personnel and believes that the capabilities and co-operation of all staff will enable the Group to achieve its objectives as planned.

New Business Expansion and Organizational Restructuring

In 2013, the Bank established two new business units, namely the Financial Markets Group and the Corporate Banking Group to enhance its full banking operating capabilities. The Financial Markets Group is in charge of financial market product development – fixed income, derivatives and foreign exchange – to offer a variety of services to clients of the Bank and capital market business. In the meantime, the Corporate Banking Group is responsible for providing credit facilities and financial services to large corporations with strong financial status in order to enhance the utilization of the Bank's capital and diversify the Bank's concentration risk from its existing core business dependency.

Moreover, the Bank improved its organizational structure by establishing the Process and Product Improvement and Alternative Channels Group and the Credit Analysis Group in order to enhance the business support and credit control system capabilities.

In 2014, the Corporate Banking Group started providing credit facilities to large corporations, for instance CP All Public Company Limited and Xayaburi Power Company Limited. As of the end of 2014, the Bank had outstanding loans for large corporations of Baht 5,780 million.

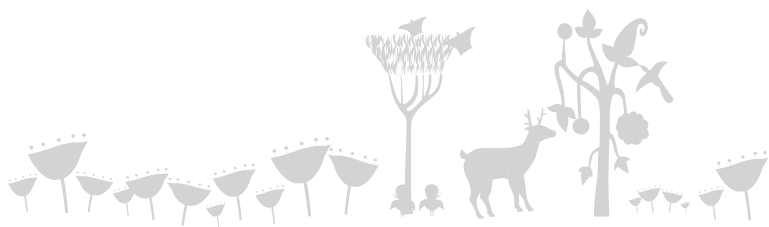
Meanwhile, the Financial Markets Group offered financial products to local and foreign financial institutions and counterparties. Its main financial products include bonds, derivatives and foreign exchange.

For foreign exchange and derivatives, the Bank provides hedging solutions to clients by offering derivatives such as FX Spot, FX Forward, FX swap, Interest Rate Swap and Cross Currency Swap.

Besides the new businesses above, on December 24, 2014, the Securities and Exchange Commission ("the SEC") registered the Bank as a derivatives dealer, which could provide services to institutional investors.

Synergies within the Group

After the merger, the Bank and companies in the Group have been co-operating to increase the business potential



and opportunities by expanding the existing businesses and reducing limitations of both organizations. The Group aims to synergize the overall benefits and effectively raise its competitiveness by combining all strengths and potential of every company in the Group, e.g. the Bank's capital, PHATRA's experience in the capital market business and the client networks of both organizations. So far, there are synergies in the following two areas:

- Private Client Business

The Group has focused on working in tandem to advance the private wealth management business of the Group in terms of the amount of assets under advisory and revenue generation. It started from combining the client base, making clear client segmentation and then referring clients who requested such service to PTSEC, which has expertise in providing private wealth management services. The Group therefore has more variety of services to serve its private clients. As of December 31, 2014, there were more than 1,280 clients of the Bank interested in PTSEC's private wealth management business leading to the referral of more than Baht 21,907 million of assets under advisory. Furthermore, in 2014, PTSEC was granted approval from the Bank of Thailand to be able to introduce the Bank's deposit products to its private clients.

- Investment Business

The investment business of the Group has been centralized in order to efficiently improve, expand and provide good return with appropriate risk level. PHATRA and PTSEC operate the Group's investment business by utilizing their experience in the capital market and investment business and the Bank's capital. The Group has considered allocating and prioritizing its investment portfolios according to the return and proper risk level, for instance, the long-term investment in securities, arbitrage trading, etc.

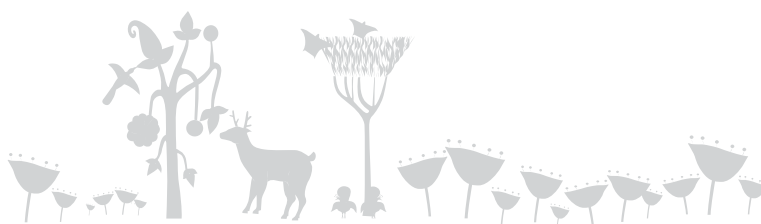
Corporate Governance Improvement

- Corporate Governance Practice Improvement

The Bank strives to upgrade its corporate governance to be consistent with the newly issued corporate governance

guidelines for listed companies – the SET's Principles of Good Corporate Governance for Listed Companies, the Corporate Governance Report of Thai Listed Companies of Thai Institute of Directors Association (IOD) and the ASEAN Corporate Governance Scorecard – and to be more comparable to the international standard. Therefore, the Bank has continuously tried to make improvements in several aspects. During 2014, the Bank improved its corporate governance practices, which included the following:

- Ensured the importance of compliance with the Guidelines for Business Conduct and required all employees to do the E-learning and the test on the Guidelines for Business Conduct;
- Issued the Bank's Anti-corruption policy, communicated such policy to all employees and assessed the risk of corruption;
- Defined and disclosed the written roles, duties and responsibilities of the Chairman of the Board of Directors and the code of conduct for investor relations officers on the Bank's website;
- Reviewed and revised the Bank's Corporate Governance Principles to add roles, practices and responsibilities of the Bank towards creditors and secured creditors and guidelines for protecting employees informing misconduct or whistle-blowing;
- Improved the guidelines for securities trading of directors and executives by requiring at least one day's pre-approval;
- Improved the Bank's procurement regulation prescribing the supplier selection criteria;
- Required all committees under the supervision of the Board of Directors to perform self-assessments; and
- Disclosed charters of the Board of Directors and committees, matters under the authority of the Board of Directors, memorandum of association, risk management policy of the Bank and criteria for submission of questions concerning the agenda item for the Annual General Meeting of Shareholders on its website.



- Set up Credit Risk Management Sub-committee and Crisis Management Sub-committee

The Risk Management Committee has established the Credit Risk Management Sub-committee to assist in managing credit risk. The Credit Risk Management Sub-committee has roles, duties and responsibilities in considering and recommending on the sufficiency and appropriateness of the credit risk management policy, strategy, framework and instrument; screening and/or reviewing criteria relating to lending, commitments and any transactions with loan-like characteristics; screening and/or reviewing product programs in terms of credit risk associated with new products; screening criteria for asset quality assessment to ensure that the provision for loans, commitments and transactions with loan-like characteristics is in accordance with rules and regulations; approving the qualitative asset classification for loans, commitments and transactions with loan-like characteristics; and monitoring the lending portfolio's quality and relevant lending procedures in order to supervise and/or make recommendations on significant credit risks to relevant units.

Furthermore, the Bank has set up the Crisis Management Sub-committee to assist the Commercial Banking Management Committee to fulfill its oversight responsibility in managing business continuity. This is to ensure that the business continuity management system is effective and appropriate for the situation and in case there is any incident interrupting the Bank's normal business, its critical business functions can continually operate or resume operation within a suitable time period in accordance with the guidelines of the Bank of Thailand.

2015

Branch Rationalization

The Bank completed the closure of 24 commercial banking branches situated in inefficient areas in May 2015. At that time, these 24 branches comprised 30% of the total number of branches of the Bank and had approximately slightly more than Baht 5 billion in deposits altogether, which was less than 3% of the total deposits of the Bank. The Bank has gradually upgraded its branches to better serve clients'

lifestyles, support comprehensive products including deposits, investments and lending products and services, reduce transaction complexity and time, and create branding to be memorable and consistent with its business direction aiming to operate businesses in which it has expertise. The Bank also transformed branches which are strategically important (high amount of deposits and investments) to be financial hubs providing the Group's financial and investment products and opened new branches in efficient areas, both standalone and in shopping malls. Hence, as of the end of 2015 the Bank had 65 branches in total, down from 86 branches as of the end of 2014.

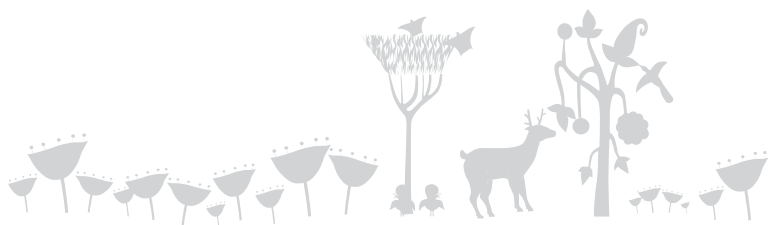
Development of Products and Service Channels

- Lombard Loan

The Group has launched Lombard Loans, which are well-known collateralized loan against liquid assets worldwide, for the first time in Thailand. A Lombard Loan is a multi-purpose loan offered to High Net Worth clients of PTSEC who require additional capital to increase financial liquidity for various purposes, such as investment, personal use, etc. For Lombard Loans, the client can use existing financial assets in their portfolios as collateral without losing any expected return since clients' financial assets are not sold.

The Bank offers two types of Lombard loan, which are Flexible Term Loans (Duration of not over 12 months) and Fixed Term Loans (Duration: 1, 3, 6, 9 and 12 months). Collateral accepted by the Bank comprises cash, listed shares on the SET (only shares in SET100), property fund, real estate investment trust (REIT) and infrastructure fund traded on the SET. In future the Bank plans to expand collateral types, such as investment units in mutual funds and private funds, debentures, bank deposits, etc. Lombard Loans are introduced to clients by the financial consultants at PTSEC while the credit approval is performed by the Bank.

Lombard Loans represent the great synergy between financial and capital market businesses in the Group, which focus on offering more varieties of products and services to satisfy clients' needs and maximize their benefit.



- KK Smart Gain, KK Smart Million and KK Free 55 Up

In 2015 the Bank developed more saving products, such as KK Smart Gain and KK Smart Million offering different interest rates. For fixed deposit account, the Bank introduced KK Free 55 Up to individuals, whose age are 55 years and up, for tax benefit as specified by the Revenue Department.

- Captive Finance Partnership with Suzuki

The Bank has signed a captive finance partnership agreement with Suzuki Motor (Thailand) Company Limited ("Suzuki") to increase its strength and competitiveness in the auto hire purchase business. The Bank's staff are at 99 Suzuki showrooms nationwide to promptly offer flexible payment terms and speedy credit approval through online credit analysis, which can give a preliminary result within a day.

- Partnership with Silkspan

The Bank has entered into a business partnership with Silkspan Company Limited to open a new channel for clients to apply for CarQuickCash online via www.silkspan.com.

- Cash Deposit Service through Thailand Post

The Bank has joined with Thailand Post in offering cash deposit services for the Bank's clients through more than 1,400 branches of Thailand Post nationwide. Clients can fill out the deposit slip, without showing a bank book, and deposit a minimum of Baht 100 up to Baht 50,000 cash per transaction and not exceeding Baht 100,000 per account per day into their saving or current accounts at any Thailand Post branch.

- New Services on KK Contact Center

The Bank has improved its KK Contact Center to offer new services to clients which are 1) outstanding request; 2) account statement request; 3) fund transfer between own accounts; 4) additional account opening; 5) request to stop cheques; and 6) cheque ordering.

- KK Direct Debit Service

The Bank has launched KK Direct Debit to facilitate clients who have accounts with the Bank or other commercial banks, for repayment of various loan types offered by the Bank - car loan, personal loan, cash card, home loan, HomeQuickCash, CarQuickCash, SME loan and commercial loan.

- KK Smart Investment Service

The Bank has also introduced KK Smart Investment Service, which combines saving and investment services. Through KK Smart Investment Service, clients can set the timeframe and amount of funds for investment in funds according to the Bank's list in advance. The fund for investment will be automatically transferred from either saving or current accounts. Upon the completion of buying, selling or switching orders, the Bank will send an SMS message to clients.

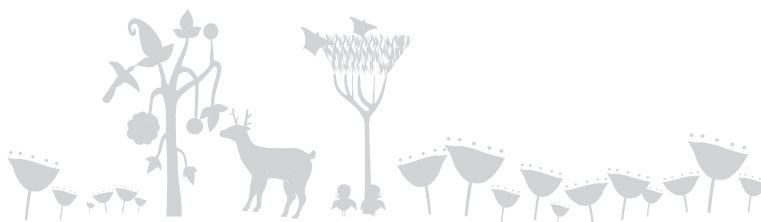
At present, KK Smart Investment Service has two service types, which are 1) Auto Sweep and 2) Saving Plan. For Auto Sweep, clients set the maximum amount of funds for investing and minimum amount of funds to be maintained in their deposit accounts. This helps clients to increase the return on their deposit accounts and keep enough funds in their deposit accounts for daily expenses. For Saving Plan, clients set investment frequency as weekly, monthly or quarterly, in order to make constant investment for future sustainability.

Progress in Bancassurance Business

After entering into an exclusive bancassurance agreement with Generali, the Bank has worked in close coordination with Generali to replace existing products with better products, as well as expand the Bank's offering with innovative and client-oriented products, for example, KKGEN Infinite Wealth series and the new KK Personal Loan Care that better-caters to clients' needs. Together, the Bank and Generali continue to introduce best-in-class products and services, as well as enhance the capabilities to offer holistic financial solutions that better-serve clients in every segment.

Centralization of Credit Approval

The Bank has centralized its credit approval process for auto hire purchase loan and others, e.g. account opening, change of clients' information, duty stamp payment for cheque, clearing cheque, etc. to benefit clients and the Bank. For clients, they receive more convenience and



faster services as some procedures are carried out by staff who possess specialized expertise at the head office. In terms of the Bank, centralization of credit approval makes the credit approval process and quality standardized. The control of credit quality can be made with more efficiency. The operating cost can also be reduced. And the Bank has more chances to increase sales and service transactions.

Development in Asset Management Business of PASSET

PASSET continued to develop and launch new funds throughout 2015. Key new fund launches during the year included: Phatra Absolute Return Fund and Phatra Global New Perspective Fund.

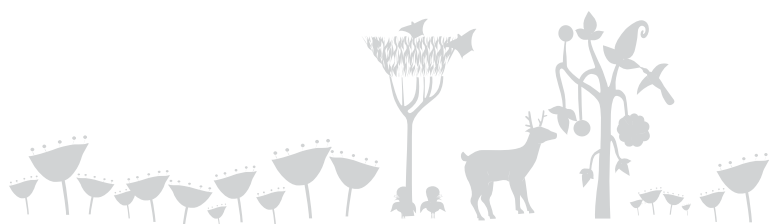
Phatra Absolute Return Fund focuses on delivering consistent absolute return regardless of SET Index conditions, employing market-neutral strategy via long/short positions. Given its low correlation with the SET Index, the fund can be considered as an alternative asset class, enhancing asset allocation efficiency for investors.

Phatra Global New Perspective Fund is a foreign investment fund that feeds its investment to Capital Group New Perspective Fund (LUX) giving investors diversification and investment opportunities in global equities. Investment decisions are fundamentally driven and actively managed. Capital Group, the fund manager, is one of the world's leading active fund management houses with experience in excess of 80 years. The Fund consistently has delivered consistent superior performance for more than 40 years.

Corporate Governance Improvement

The Bank continues to strive to upgrade its corporate governance to be consistent with the newly issued corporate governance guidelines for listed companies – the SET's Principles of Good Corporate Governance for Listed Companies, the Corporate Governance Report of Thai Listed Companies of IOD and the ASEAN Corporate Governance Scorecard – and to be more comparable to the international standard. Hence, the Bank has continuously endeavored to make improvements in several aspects. During 2015 the Bank improved its corporate governance practices, which included the following:

- Reviewed and revised the Bank's Corporate Governance Principles to add details on directors' qualification to be in line with the Bank's business strategy, and specify that executive directors shall hold a directorship of not more than two companies outside the Group;
- Besides self-assessment of the whole board, an annual performance assessment of individual directors was also conducted. The process followed in conducting an individual director assessment and results of such assessment were disclosed in Form 56-1 and annual report of the Bank;
- All committees under the Bank's Board of Directors' supervision prepared their committees' annual reports and disclosed in Form 56-1 and annual report of the Bank;
- Board skill matrix and director pool were used in nominating new directors;
- Ensured the importance of compliance with the Bank's Guidelines for Business Conduct and Anti-corruption Policy and required all executives and employees of the Bank to do the E-learning and the test on the Guidelines for Business Conduct and Anti-corruption Policy;
- Communicated and sought co-operation from clients, counterparties and outsiders for not providing gifts, entertainment or other remuneration to directors, executives and employees of the Group during the New Year festival or other occasions so that the Group's operation followed its intent of providing services with good corporate governance and was against all types of corruption;
- Revised the Bank's policies and guidelines to be clearer and consistent with the newly-issued regulations, for instance, Conflict of Interest Policy, Employee Trading Policy, Guidelines for Reporting on Conflict of Interest of the Board of Directors, Executives, Employees and Connected Persons, Guidelines for Reporting Connected Transaction and Strategic Shareholders, and Guidelines on Nominating Directors, Management, Controlling Persons and Advisor, etc.



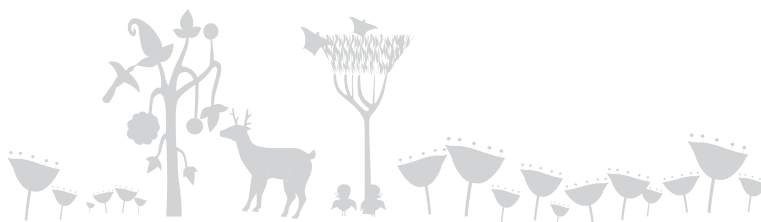
Business Operation

The Group's business is divided into two main groups: the Commercial Banking Business operated by the Bank and Capital Market Business operated by its subsidiaries which are comprised of PHATRA, PTSEC, KKTRADE and PASSET.

Revenue Structure of the Group

The revenue structure of the Group in accordance with the consolidated financial statements for the years ending December 31, 2013 - 2015, was as follows:

	2013		2014 (Restated)		2015	
	Baht Million	%	Baht Million	%	Baht Million	%
Interest Income	15,809	110.8	15,929	114.5	14,776	98.1
Interest Expense	7,462	52.3	7,016	50.4	5,328	35.4
Net Interest Income	8,347	58.5	8,913	64.1	9,449	62.8
Fees and Services Income	4,838	33.9	3,863	27.8	3,934	26.1
Commercial Banking Business	1,720	12.1	1,698	12.2	1,770	11.8
Capital Market Business	3,118	21.9	2,165	15.6	2,164	14.4
Fees and Services Expense	481	3.4	411	3.0	463	3.1
Net Fees and Services Income	4,357	30.5	3,452	24.8	3,471	23.1
Net Gain (Loss) on Trading and Foreign Exchange Transaction	443	3.1	574	4.1	877	5.8
Net Gain (Loss) on Investment	637	4.5	261	1.9	336	2.2
Dividend Income and Profit Sharing	206	1.4	278	2.0	321	2.1
Other Operating Income	276	1.9	433	3.1	603	4.0
Total Operating Income	14,265	100.0	13,912	100.0	15,057	100.0



Nature of Products and Services

1. Commercial Banking Business

The Commercial Banking Business is divided into the following four groups, namely Private Client Group, Corporate Client Group, Specialized Business Group and Support Function Group.

1.1 Private Client Group

The Bank gives importance to the development of innovations to provide clients with different choices and optimum benefits and also to enhance the Bank's effectiveness of service offered via branches and other channels while maintaining a good relationship with clients that leads to client expansion and sustainable growth. The Private Client Group provides financial products and services to retail clients. Key products and services include loans, deposits and several types of investment as follows:

- *Auto Hire Purchase*

The Bank provides all types of motor vehicle hire purchase services to both new and used vehicles including passenger cars, multi-purpose vehicles, and commercial vehicles for individuals and corporate entities. In essence, clients can choose the payment schemes that best fit their needs. Our hire purchase products offer clients the choice of equal installments or with unequal installments (Flexi-payment) to best fit clients' financial requirements. Moreover, the Bank also offers other related automobile services such as application for vehicle licenses, car insurance, payments of annual motor vehicle tax and other related automobile taxes. Our services cover the Bangkok metropolitan area and other provincial areas.

Auto hire purchase business is the Bank's major line of business, accounting for 65% of the Bank's total lending portfolio. The auto hire purchase portfolio ratio between new and used vehicles was 54% to 46% as of December 31, 2015. The Bank has continued to place strong emphasis on its auto hire purchase business, by taking into account both market and competitive conditions that enable proper adaptation to changing situations. In this regard, fast and

efficient service has been focused upon while maintaining strict credit controls to ensure the loan quality.

- *CarQuickCash*

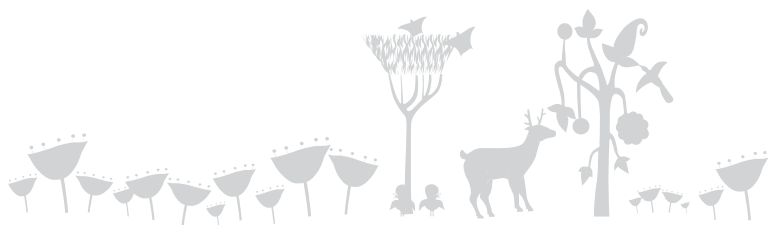
The Bank also offers loans to car owners through our CarQuickCash product for use in case of financial emergencies or as working capital. Two types of options are available: (1) transfer of car registration (with flat interest rate) and (2) non-transfer of car registration (with effective interest rate) that helps reduce interest burden and save on transfer fees. During 2015, the Bank also introduced unequal installment terms to help clients choose the option which best fits with their needs.

- *Personal Loan*

Personal loan business involves multi-purpose loans extended to existing auto hire purchase clients with good credit status and repayment records to support their liquidity needs. The personal loan comprises two facility types: (1) term loans which are unsecured multi-purpose loans with a scheduled repayment term and quick loan approval process granted to support the liquidity needs of borrowers; and (2) revolving loans which are a loan facility in which the cash amount can be transacted by using the Bank's KK Cash Card for withdrawals via the ATM Pool with the minimum repayment amounts prescribed by the Bank. In addition, the Bank has also extended the personal loan service to cover new client groups. The Bank focuses on improving the loan approval process and products offered in order to better serve our target clients and allow for expansion into other alternative channels in the future.

- *Housing Loan*

Housing loans are credit extended to finance homebuyers for purchasing new and used houses, including house loan refinance. In addition, under cooperation with our Commercial Lending Group, the Bank offers post-financing with special packages and other privileges to retail clients purchasing real estate projects where the Bank provides pre-financing. The Bank also focuses on improving the loan approval process to offer clients faster service and offering products to best fit with each target client's need.



- *HomeQuickCash*

The Bank offers a multi-purpose (non business related) loan facility with flat interest rates, using freehold houses as collateral (HomeQuickCash) or for refinancing multi-purpose loans from other financial institutions.

- *Micro-SME Loan*

Micro-SME loans are credit extended to finance individuals or corporate entities conducting small business which includes service industry, retail and wholesale business sectors. There are various types of facilities for this lending category, such as a business working capital line, O/D and business expansion loans, etc. The Bank focuses on the quality of its Micro-SME portfolio by tightening policies and customizing product programs to best fit with the current conditions and requirements of each business type to prevent and control the rate of non-performing loans (NPL).

- *Lombard Loan*

Lombard loans are multi-purpose credit facilities offered to high net worth clients of PTSEC using financial assets as collateral (currently cash and SET100 securities). There are two type of loan terms available - Flexible Term (less than 12 months) and Fixed Term (1, 3, 6, 9 or 12 months). The Bank plans to allow additional types of financial assets to be placed as collateral in the future. Lombard loan is one example of the combined efforts within the Group to enhance product and service offering to our clients.

- *Retail Deposit and Investment*

The Bank provides deposit services to its retail clients, both individual and corporate entities. There are three main types of deposit accounts: current, saving and fixed deposit. The Bank consistently develops new products and services to serve its clients' needs and enhance their satisfaction while taking into consideration the changes in market environment.

During 2015, the Bank launched special savings deposit accounts such as KK Smart Gain and KK Smart Million, each offering different features. For fixed deposit account, the Bank has launched KK Free 55 Up, which offers tax privileges as stipulated by the Revenue Department. For services, the Bank has introduced KK Smart

Investment Service, which provides automatic services between deposit account and investment account. In addition, the Bank acts as a distributor to various asset management companies. Together with advice from our team of investment experts at PTSEC, our retail clients can receive services that best fit with their investment needs.

- *Bancassurance*

The Bank also acts as an insurance broker, or "Bancassurance" provider, providing investment advice and offering life and casualty insurance products. The Bank cooperates with leading insurance companies with strong financial positions which are able to serve our clients nationwide. Our aim is to design and develop a wide range of insurance coverage with the insurers, to provide suitable insurance policies for the Bank's clients. The Bank offers various insurance products such as the following:

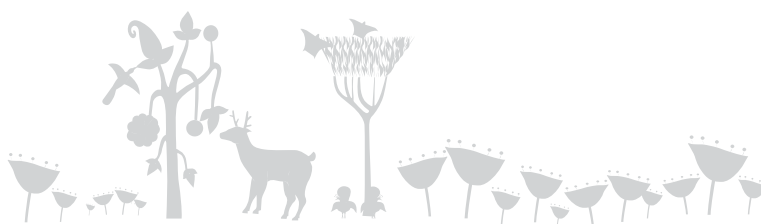
1) Non-life Insurance - provides protection on insured buildings and assets including life, health and properties of the insured such as fire insurance, motor insurance, all-risk insurance, marine and inland insurance, etc.

2) Life Insurance - the Bank offers consultation and financial planning on products such as saving, annuity, and various type of credit life insurances offering debt obligations coverage to help reduce the financial burden arising through unexpected events, for example auto hire purchase, personal loan, housing loan, floor plan lending, etc.

In 2015, the Bank entered into a partnership with Generali to develop and distribute various products, such as KK Wealth 10/3, KKGEN Infinite Wealth 88/4 and KKGEN Infinite Wealth 88/8, which offer varying protections and benefits to best fit with each target client group's needs.

- *Priority Banking*

PRIORITY service is specially created by the Bank for our high net worth clients whose combined value of deposit and investment (average asset) is Baht 10 million or more. Our relationship manager and a team of professional financial experts provide specific, practical analysis and advice to clients. The Bank provides funding and wealth products and services to optimize our clients' needs, such as deposits, investment-related services covering equity



instruments, bonds, commodities, real estate and bancassurance, namely saving, annuity, and life insurance products. The Bank also provides E-banking service, financial and investment planning & consultation and transaction services. In addition, the Bank acts as a mutual fund selling agent of asset management companies and has formed a business alliance with insurance companies to conduct bancassurance business.

Main PRIORITY services are:

- PRIORITY Deposit - comprises several types of accounts, specially selected for our clients to choose from. The Bank provides solutions to all clients' financial needs with attractive interest rates.
- PRIORITY Investment Consultant - provides advice on our clients' investment plan with our financial specialists to ensure that their investment proportions are appropriate.
- PRIORITY Financial Planning - makes plans for our clients' financial goals before and after retirement, including educational planning for their children through investment allocation strategy and appropriate risk management scheme.
- PRIORITY Consolidated Statement – service designed to provide our clients with comprehensive reports for all types of their financial activities and investment in financial instruments along with a portfolio review by specialists.
- PRIORITY Real Estate Consultant - service specially created for clients who are interested in engaging in real estate business. The service includes a comprehensive analysis by experts from various fields in order to reduce investment risk and to create the opportunity for investment return and to lead to sustainable business success.

Besides PRIORITY services, the Bank also gives various PRIORITY privileges including PRIORITY Lifestyle, PRIORITY Lounge, PRIORITY Health Care, PRIORITY Financial Privileges, PRIORITY Exclusive Events which are organized all year round by nationally known specialized experts. Examples of the exclusive events are as follows:

Investment Seminar - to increase knowledge in finance and investment including an update on worldwide investment situations, NeXtGen Program From Study to Success - a seminar that aims to prepare clients' business successor and to further strengthen and advance their business, Exclusive Cultural Experience - clients can enjoy the value of Thai culture through various cultural activities such as traveling and rare performances

1.2 Corporate Client Group

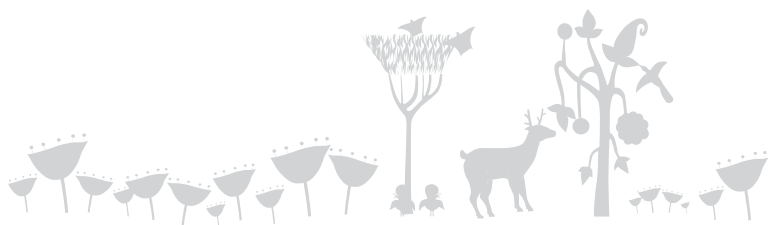
The Corporate Client Group provides services to corporate clients based on the following segments: Corporate Banking Group and Commercial Lending Group. The Corporate Banking Group services medium to large-sized corporations while the Commercial Lending Group services medium-sized companies within the six focused sectors in which the Bank has expertise.

- Corporate Banking

The Corporate Banking Group was formed after the merger with PHATRA. The purpose was to maintain the synergies formulated from the Group using business relationships that PTSEC had with listed companies in the SET and other major companies when they were providing investment banking and financial consultancy services and raising capital through sale of assets, and other financial and investment services. This is done in conjunction with the Bank's experts offering credit facilities, with the aim of branching out into other types of businesses and diversifying risks outside those of auto hire purchase and real estate lending.

The Corporate Banking Group is responsible for offering credit facilities to listed companies in the SET and also other companies under the Credit Policy of the Bank. This does not include those already managed by the Commercial Lending Group.

The Group aims to provide a full range of financial services and instruments that the client would require. Our target market is the listed companies, their subsidiaries and their affiliates, non-registered major companies and multi-national companies. Our credit services include



revolving credit line (working capital), project finance, loan syndication, loan for business expansion and other credit products that evolve with the financial and money markets.

The Corporate Banking Group coordinates with PTSEC's teams, Financial Markets team and other departments to offer various financial services to clients, leading to a broader and deeper understanding of the targeted businesses. Together with the finance and capital markets, the Bank is able to research and select targeted clients by giving the appropriate finances, with a medium-term target of building a portfolio suitable for the Bank. It will provide growth in assets and revenues, broaden the revenue base and diversify risks, especially in respect of strategic risk and concentration risk of the Bank's credit portfolios.

As of December 31, 2015, the total Corporate Banking portfolio was Baht 8,774 million.

- Commercial Lending

The Commercial Lending Group provides services to the following six sectors in which the Bank has expertise.

As of December 31, 2015, the total Commercial Lending's portfolio was Baht 46,263 million. The details of each sector are as follows:

1. Real Estate Lending

The Bank provides real estate lending to property development companies and real estate developers within Bangkok and in the provincial areas. Real estate lending is a credit scheme facility that requires project finance skills and clear understanding of the development purpose of the projects. The Bank concentrates on facilitating our clients with our timely approval processes, suitable types of loan facilities, an adequate loan amount, and appropriate repayment schedules that suit the clients' anticipated cash flow scheme. The Bank is equipped with qualified credit teamwork and technical specialists that are capable of providing a full range of services including technical advisory services on engineering works, construction, architectural designs, research and development information, as well as regulations and legal matters. The Bank also

has a network that can provide client support on advertising, public relations, and project management. These supports are aimed at enhancing the clients' business potential.

2. Apartment and Hotel Lending

Apartment and hotel lending is credit extended to clients who operate rental apartments, service apartments, rental of residential units, dormitories, rental offices, warehouses and hotels; both for new investments and for renovation work. The Bank has architectural and engineering teams which can offer advice on construction plans and construction work for the projects. The Bank's clients are land owners who want to develop their properties for residential rental purposes and existing owners of dormitories and apartments who need additional financing for their business expansion or renovation purposes.

3. Logistics Lending

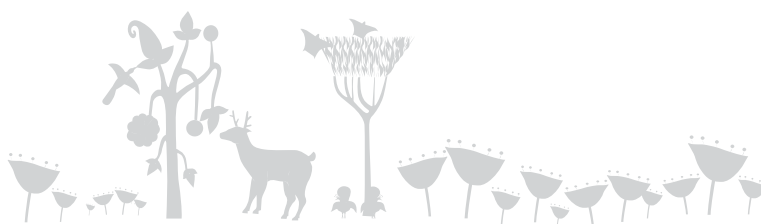
Logistics lending is credit extended to finance logistic activities, which includes transportation of cement, oil, container boxes, automobiles and vehicles spare parts, etc. In this regard, the Bank offers various credit types such as hire purchase for owners of car rental fleets and hire purchase for trucks and lorries, towing trucks with two or more trailers and commercial vans (NGV). Other facilities for logistic lending are term loans for land purchase and building construction and working capital facilities.

4. Floor Plan Lending

Floor plan lending is credit extended to finance both new and used car dealers, to support their working capital requirements. The Bank's lending products include working capital lines, term loans, L/G and O/D lines. The credit purposes are to support business operations, long term expansion plans, etc.

5. Specialized Industrial Lending

Specialized Industrial focuses on lending to finance printing and packaging businesses. The Bank also provides lending to the food and health care industries. The Bank's lending products include loans for factory expansion and machinery purchase, secured revolving facilities, credit for refinancing, trade finance for imported materials, etc.



6. Construction Materials and Machinery Lending

The Construction Materials and Machinery Lending provides support to businesses that are related to the construction industry and businesses engaging in the sale and rental of construction machinery. Facilities consist of revolving credit lines, long term loans re-financing loans, etc.

In addition to offering financial products and services, the Bank also organizes many activities to support our Commercial Lending clients. Activities are aimed at providing our clients with business insights and assisting them to achieve sustainable business success. Key activities organized in 2015 were as follows:

- 1) Annual 2015 Seminar - combining clients in real estate and apartment and hotel businesses. The seminar focused on providing participants with economic updates, industry trends, opportunities and risks in conducting business.
- 2) KK Smart RE and KK Next GEN: Real Estate - training courses designed to develop and enhance business skills for clients engaging in real estate business.
- 3) Marketing and sales workshop designed for operational staffs of our clients.
- 4) Good Living by Kiatnakin - the Bank participated in the 32nd and 33rd House and Condo Exhibition to support our clients' sale events.

1.3 Specialized Business Group

- *Special Asset Management (SAM)*

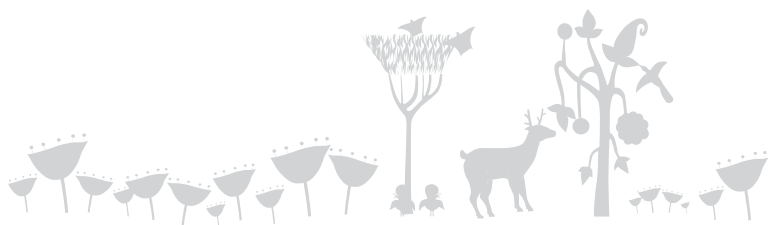
The Special Asset Management or distressed asset management is operated by the Bank together with eight mutual funds in which the Bank holds their unit trusts. The Bank began its distressed asset management activities in 1999 when it auctioned some debt portfolios from the Financial Sector Restructuring Authority (FRA). In addition, the Bank was the major unit holder of the mutual fund established for solving financial institution system problems. During 2003 - 2006, the Bank also auctioned debts under the liquidation process from the Legal Execution Department. In 2010, the Bank acquired unit trusts in the Gamma Capital Fund and the Bangkok Capital Fund, both of

which operate mutual fund operation which is a similar line of business to those operated by the Bank's subsidiaries resulting in the Bank holding total unit trusts in eight mutual funds (the eight mutual funds have been under liquidation process since September 1, 2015). The Special Asset Management is managed by the Debt Restructuring Department, the NPL & NPA Support Department responsible for handling debt restructuring negotiation, and the Asset Management Department responsible for sales of foreclosed assets. The details of assets for sale, such as their location, size, and price range are provided in www.kkasset.com for viewing by clients and interested parties.

- *Financial Markets*

The Financial Markets Group continued its business growth in 2015. The group aims to provide financial services to individual investors, financial institutions, and local and foreign corporate clients with financial market products that facilitate clients' needs in investment, financing and risk management. Our product lineup covers foreign exchange transactions and foreign exchange derivatives (FX Spot, FX Forward, FX Swap, and Cross-Currency Swap) and interest rate derivatives (Interest Rate Swap) that help support clients' hedging activities. Furthermore, by utilizing the capacity of the Group, we started offering equity derivatives with competitive advantage from our securities arm to our clients.

In 2015, the Financial Markets Group played increasingly productive roles in the foreign exchange market. The Group facilitated clients' needs in transacting and hedging FX exposure through trading FX Spot and FX Swap. Thus, the foreign exchange trading volume expanded by 16% from the previous year. The corporate bond investment also remained of interest among our institutional investors and Priority Banking clients in 2015. According to statistics from the Thai Bond Market Association (ThaiBMA), the Bank was ranked sixth in the corporate bond market with market share of 5.77% and ranked 16th with market share of 1.52% in total bond trading volume.



The Financial Market Group is committed to continue enhance our service to valued clients. The Group aims to expand our FX trading currencies and FX and Interest Rate hedging products and to deliver more varieties of investment products, such as structured note, that covers various underlying assets. The Financial Market Group also plans to enrich the wholesale banking platform by capitalizing on the Group's network and products. The wholesale banking area is one of the main drivers of our financial market business in the next year.

1.4 Support Function Group

The Bank's Support Function Group is comprised of Operations, Human Resources, Information Technology, Finance and Budgeting, Process and Product Improvement and Alternative Channel, Credit Analysis, Office of Collection and Asset Quality Improvement, Compliance, Internal Audit, Risk Management, Corporate Strategy and Executive Office. In addition to the development of financial products and services, the Bank focused on improving its internal processes through the work performed by our support functions. Key improvements are as follows:

- *Personnel Development*

The Bank places great emphasis on the development of personnel potential and building organization leadership with the belief that effective teamwork and leadership are the keys to sustainable business growth. In addition, the Bank recognizes the importance of our employees and strives to create a supportive working environment and a good organizational culture that underlines employee participation, respect and professionalism and also recognizes individuals who exhibit dedication and create innovations for the organization by using various aspects of human resources management. This includes recruitment of qualified personnel, compensation management, fair and competitive welfare and benefits, career management, and a wide range of training, knowledge management, and team-building activities. The Bank also allows opportunities and creates platforms for employees to participate in and create innovations for the organization.

- *Development of Operational Efficiency*

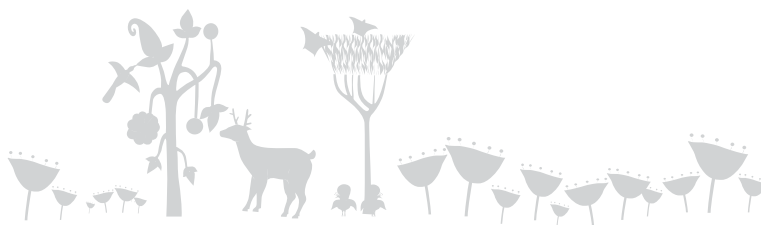
The Bank focuses on continuous development in its operation process in order to provide services which respond to business needs and meet clients' satisfaction. The Operations Excellence Services, Stabilization Together with Growing Forward, and Operations Change Management have become the main strategies for the Group to encourage the learning environment in order to be able to correspond with internal and external changes.

Key operational developments to support business expansions and create sustainable competitiveness include the following initiatives:

1. Centralizing Retail Loan Origination System by developing loan origination process and improving loan approval process to generate standardized and quality operations under superior risk management with swiftness and cost efficiency, bridging flexibility and speediness to capacity adjustment in response to business growth. Moreover, the development also consists of consolidating repetitive operations within branches or various business units into one central operational unit so that the front business can entirely focus on its business expansion.

2. Branch Reengineering process to generate convenience, simplicity and speed in serving clients in the following areas:

- Improvement of no-transaction limit in terms of withdrawal amount and transferred amount from current and savings accounts for every bank branch to clients who process transactions in person.
- Providing service on demand; clients are currently able to deposit, withdraw, transfer or request a bank statement by informing a teller who will provide the transaction slip for endorsement. In addition, the transaction slips are standardized and reduced from five formats to one.
- The implementation of the new Client Identity Proof technique by verifying ID card (smart card) to ensure transaction security at branches.



- Furthermore, several working processes at branches have been improved to facilitate staff operations while ensuring internal control standards. The image of branches is further redesigned to reflect a modernized and unique look.

3. Loan processing revamp to enhance efficiency and competitiveness by developing operations innovation in the area of loan administration, loan operations, collateral and loan documents operations including facilitating all business units to be able to efficiently provide services to clients.

4. Raising operation service quality by providing services as agreed upon ensuring competitiveness within the industry with prudent risk control and apparent internal control.

5. Managing operation organization structure and people to conform to the Group's business structure, model and strategies to ensure operational stability, efficiency and readiness to facilitate business growth by encouraging staff to work with best practice, developing knowledge and competency, together with continuous operation process improvement and creating a good environment for our staff.

The mission of operation management and development is an ongoing process which also needs to correspond to a changing business environment, not only on development in the operational system but also personnel development, and good governance is also constantly monitored in order for the Group to achieve a sustainable competitive advantage.

- *Information Technology Development*

Throughout the year 2015, the Information Technology Group together with business functions have worked closely together on various system developments with key developments as follows: enhancing the Bank's capacity on loan information management, improvements on the Bank's corporate internet banking, creating an online centralized payment system within the Group, systems improvements to enhance investment and saving products, all with the aim to allow the Bank to better serve our clients.

Information technology developments will continue to be the Bank's focus in order to increase the reach to clients.

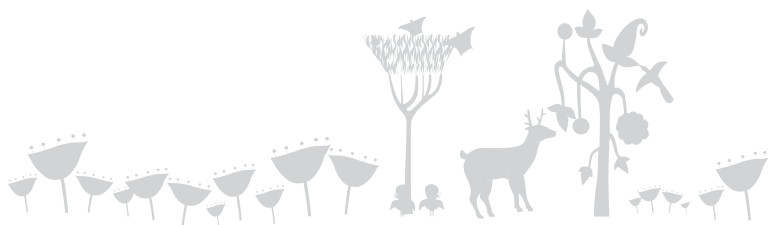
The Bank plans to add additional channels including online channels to provide added convenience to our clients. Additionally, Information Technology Group also lends support to other developments throughout the organization to ensure that the Bank's products and services are developed in a timely fashion and in accordance with the business requirements.

- *Risk Management*

• Risk Management Overview

For 2015, the Group still aimed to synchronize risk management with business operations in order to limit risks within acceptable levels. Risks arise from both internal and external factors including changes in economic conditions, business environment, business operation procedures as well as stakeholders. To manage risks efficiently, risks are classified according to the Bank of Thailand into five main risk types, specifically credit risk, market risk, liquidity risk, operational risk and strategic risk. The Group employs internationally-accepted risk management procedures of identification, measurement, assessment, monitoring and controlling risks. The Risk Management Committee (RMC) and sub-committees review and comment on risk management policies and guidelines, and track and report an overview of risk management to the Board of Directors. The Risk Management Department and subsidiaries' risk management units, which are independent from front office departments and risk owners, regulate and support risk management of the Group.

The Group has improved many aspects of risk management in 2015. The organizational restructuring in the risk management unit aimed at increasing the operational efficiency and meeting more closely international standards. The Credit Risk Management Department is divided into two divisions: Corporate Credit Risk Management, which is responsible for commercial loans and corporate loans and Retail Credit Risk Management, which is responsible for the retail loans especially auto hire purchase loans which are the most-outstanding loans of the Bank. This scope of retail credit risk also covers the growth in personal loan, housing loan and SME product loan.



The expansion in risk management manpower has increased the Bank's efficiency, the Bank's readiness for business operation, and the Bank's preparedness for Basel III regulations, especially in the liquidity risk management area. New aiding tools for risk management have been developed and the efficiency of existing tools has been continuously improved.

- Development of Risk Management

In 2015, the Group developed several risk management initiatives to support and increase efficiency and effectiveness of risk management activities as follows:

1. Risk management model development

Models and tools for credit risk management, which have successfully been developed, are the Approval Scoring (A-Score for new car), Behavioral Scoring (PL B-Score, NCB/ NCB Grade, and NCB Score). For liquidity risk management, the CASA model has been developed. Model validations were also set to assess model accuracy, input validity and appropriate model used.

2. Preparedness for Basel III liquidity regulation

The Bank has prepared liquidity risk management to be in compliance with the Basel III liquidity regulation, such as Liquidity Coverage Ratio (LCR) enforced by the Bank of Thailand, prior to the effective date on January 1, 2016.

3. Organizational restructuring in risk management unit serving the Bank's business effectively

The organizational restructuring in risk management aims to meet international standards. Additionally, the establishment of a retail risk management division serves the retail clients especially in auto hire purchase loans which are the most-outstanding loans of the Bank. Also, it is designed to cover the growth in other loan types, such as personal loan, house loan and SME product loans in the form of Product Program.

4. Risk management capability expansion

In order to accommodate the business expansion, risk management personnel has increased as well as tools implemented, such as Asset-Liability Management System (ALM System), Operational Risk System and various analytic tools.

Apart from new development of risk management, the Group also continued to develop the risk management actions from the previous year, which have contributed benefits to the business as follows:

1. Developing the Risk Roadmap: The project spans five years starting from 2011. Its purpose is for the adoption of the Internal Rating Based Approach (IRB) to capital requirements for credit risk. It consists of two major parts: development of data warehouse infrastructure and development of risk management and capital adequacy tools.

2. Risk management involvement in business units: The Risk Management Group has been incorporated into business units' operations from product and service development/ enhancement to operating procedures. The Risk Management Group has also held training sessions in risk management for the Bank's personnel.

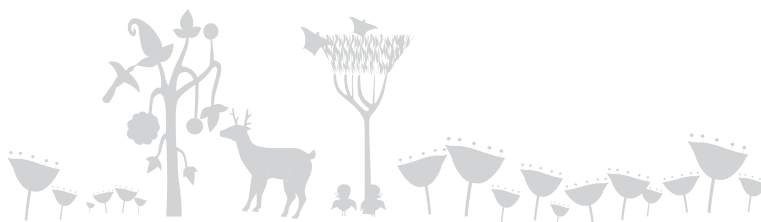
3. Training about risk management: The trainings have been organized to build understanding and sense of responsibility in managing risk throughout the Group.

4. The Group has developed a risk management procedure which assesses capital adequacy under the Internal Capital Adequacy Assessment Process (ICAAP) under the guideline for supervisory of capital in accordance with the Basel II Pillar 2. The procedure covers all risks significant to the Group, enabling the Group to be aware of its level of capital to accommodate each risk and further business expansion.

For 2016, the Group continues to focus on managing risks while promoting cooperation between risk management and other business units. The risk management process will be consistently improved with new tools/procedures introduced to better reflect future risk exposures.

- Risk Management Policy and Procedure

A key point in the risk management policy is the management of risks throughout the entire organization. Each business unit is responsible for understanding the risks arising from its business activities and managing such risks under the risk management policies and guidelines of the Group. The Risk Management Department's role is to regulate, monitor and review the mechanics of risk



management and control in each business unit and department. Furthermore, each business unit will be allocated with capital in an amount which depends on the level of transaction risk and loss from its business operations.

- Risk Management Framework

The roles and responsibilities of the relevant committees and risk management authorities are as follows:

- 1) Board of Directors

The Board of Directors supervises the Risk Management Committee to ensure the development of policies, procedures and control measures of risk management which cover strategic, credit, market, liquidity, and operational risks. The Board of Directors is responsible for approving and reviewing the risk management policies and strategies regularly.

- 2) Risk Management Committee

The Risk Management Committee develops risk management policy, oversees the adequacy of policies and risk management systems of the Group and reports to the Board of Directors. It also monitors risk to be within levels of risk appetite acceptable to the Group with a goal to limit risks in a predetermined range while earning an appropriate rate of return.

- 3) Operational Risk Management Sub-Committee

The Operational Risk Management Sub-Committee has been appointed by the Bank's Risk Management Committee. The sub-committee is responsible for assessment of operational risk while providing guidance, policies, strategies, frameworks and tools for operational risk management. The sub-committee gives advice and supports the development and implementation of operational risk management processes. It also oversees and monitors the progress of the management of risk situations, losses and the Bank of Thailand's observations relating to operational risk management.

- 4) The Credit Risk Management Sub-Committee

The Credit Risk Management Sub-Committee has been appointed by the Bank's Risk Management Committee. The sub-committee is responsible for assessment of credit risk management while providing guidance, policies, strategies,

frameworks and tools for credit risk management. The sub-committee assesses and/or reviews policies relating to lending, creating obligations and transactions similar to lending which includes Product Programs. It considers credit risks concerning new products and screens the credit quality assessment policy to allocate capital for loans, obligations and loan-like transactions in compliance with regulations. The sub-committee also monitors quantitative debt classification for loans, obligations and loan-like transactions.

- 5) Risk Management Group

The Risk Management Group designs and develops key tools and risk management procedures, ensures the implementation of such tools and procedures in the business units and various departments within the Group, as well as assesses, tracks, controls and prepares reports of the Group's risk position in order to control the risks within an acceptable level.

- 6) Internal Audit Group

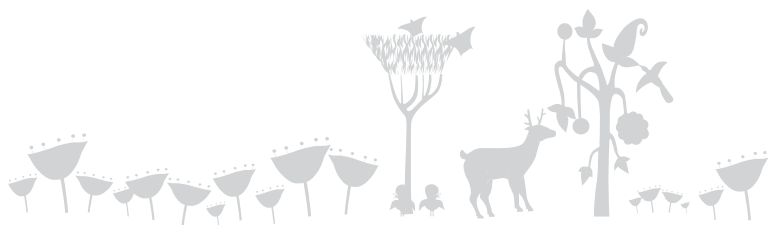
The Internal Audit Group audits and verifies the processes of operation for departments and units to be in compliance with policies, guidelines, regulations and processes of operational risk management. The Internal Audit examines and assesses the performance of internal control systems and quality of operational processes to improve such processes as well as to control and reduce risks.

- 7) Risk Owner

The product owners/departments/branches/and units in the Group are responsible for managing the different risks related to their operations, systems, products and services to be within an acceptable risk levels with compliance to the risk management policies, guidelines, regulations and processes. These risk management activities include the identification, assessment, monitoring, controlling and reporting of risks.

- *Compliance*

As the independent control function of the Bank, the Compliance Department is responsible for supervising the compliance risk with the purpose to enable business units within the Bank to operate in compliance with relevant laws



and regulations with an emphasis on working as a business partner in cooperation with business functions and other support functions within the Bank. While principal responsibility for compliance lies with business managers and their teams, all employees are responsible for protecting the Bank by 1) understanding and adhering to compliance requirements that apply to their day-to-day activities, including the Bank's Guidelines for Business Conduct and other policies and procedures, and 2) seeking advice from the Compliance Department with questions regarding compliance requirements and promptly reporting violations of laws, rules, regulations, policies or relevant ethical standards. The Bank's compliance risk management starts with the Board of Directors and senior management, who set the tone from the top by promoting a strong culture of ethics, compliance and control. The Compliance Department educates, provides advice and suggests guidelines in conducting business according to requirements of laws, as well as oversees the non-compliance risks by forming compliance surveillance programs, including serving as the contact center of the Bank to coordinate with relevant authorities during the official inspection, and monitoring the Bank's operations to ensure corrective procedures according to observations raised by authorities. Also, the Compliance Department is responsible for reviewing policies related to conducting businesses including the Prevention of Conflicts of Interest Policies and Anti-Corruption Policy, etc.

2. Capital Market Business

The Capital Market Business is under the operation of the Bank's subsidiaries, comprising PHATRA, PTSEC, KKTRADE, and PASSET of which core businesses can be divided into four categories:

2.1 Securities and Derivative Brokerage

PTSEC and KKTRADE are brokers for trading of stocks and derivatives registered with the SET, Market for Alternative Investment (mai) and Thailand Futures Exchange (TFEX). PTSEC and KKTRADE are registered

members of the SET, numbers 6 and 19 respectively. PTSEC is a broker for foreign and Thai institutions and high net worth individuals while KKTRADE focuses on retail brokerage.

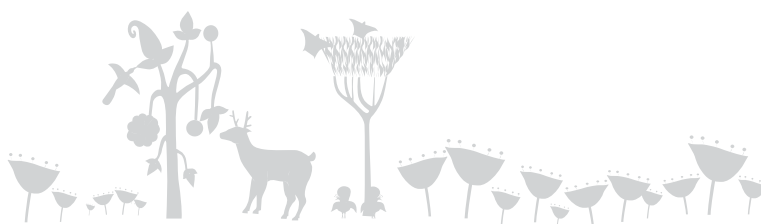
In 2015, PTSEC ranked fifth in market share, accounting for 4.69% of the total trading value of combined SET and mai (excluding proprietary account). For the year 2015, PTSEC generated revenue from brokerage fee in the amount of Baht 1,066.14 million. The proportions of revenue from institutional investors and high net worth individuals were 60.09% and 39.91% respectively.

Of the total institutional brokerage fee income earned in 2015, local institutional client business accounted for 54%, comprising of asset management companies, provident funds, private funds, the Government Pension Fund, the Social Security Office, and insurance companies. As of December 31, 2015, PTSEC had forty-two local institutional clients who transacted at least once in the past year. Foreign brokerage income accounted for 46%, of which 91.96% was Merrill Lynch with which PTSEC has a securities brokerage and business alliance agreement.

In addition, PTSEC's derivatives brokerage fee income from local and foreign institutions amounted to Baht 70.63 million while income from securities borrowing and lending activities totaled Baht 25.38 million in 2015.

PTSEC acts as a broker for high net worth individuals using financial consultants and client service assistants who are registered with the SEC in the capacity to advise clients with investment opportunities for SET/ mai listed securities, debt instruments, derivatives instruments, and other investment units. Additionally, PTSEC offers a personal wealth planning and investment to mass affluent clients who have investible assets between Baht 2 - 30 million, using online investment platform and investment advisors who are registered with the SEC in the capacity to advise clients.

As of December 31, 2015, the value of assets under advisory for all high net worth clients of PTSEC was Baht 309,633 million, from a client list of 12,681 accounts.



The table below illustrates the value of securities traded through PTSEC, brokerage fee, and market share as of December 31, 2015:

	Local Institutions	Foreign Institutions	High Net Worth Individuals
Total Trading Values of PTSEC (Baht Million)	220,967.57	462,910.38	230,207.09
Market Share ^{/1} (%)	10.93 ^{/2}	9.90 ^{/3}	1.81
Brokerage Fee (Baht Million)	345.98	294.67	425.49
Proportion of Brokerage Fee (%)	32.45	27.64	39.91

Source: SET and PTSEC

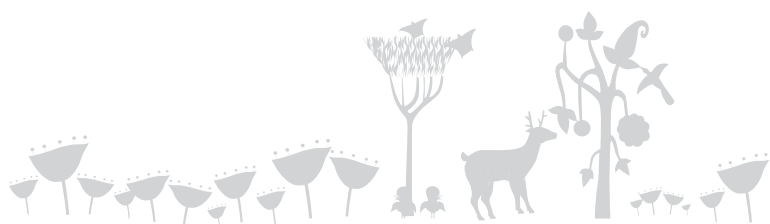
Remarks: 1. The market share is calculated based on the figures as collected by PTSEC and data released by the SET.
 2. The market share of local and foreign institutions is calculated after deducting trading transactions of the proprietary account.
 3. The market share of foreign institutions of PTSEC is divided by transactions of foreigners after deducting transactions of foreign individuals.

In servicing clients, PTSEC offers macro and equity research with a team of eleven analysts covering seventy-seven companies. PTSEC's equity research covers an aggregate market value of 72.49% of the market capitalization of the SET. PTSEC provides investment advice and trading ideas for clients with a dedicated sales and research team.

PTSEC's Research Group collaborates with Merrill Lynch under an exclusive agreement on research co-operation. Under the agreement, PTSEC analysts produce research on the Thai economy and politics, as well as SET-listed securities, which are distributed under Merrill Lynch brand while PTSEC also distributes Merrill Lynch researches on regional and global macro as well as equity to Thailand based clients.

KKTRADE focuses on retail brokerage business. Investors are able to trade securities with our investment consultants, in the trading room using both cash and margin accounts, as well as through the Internet.

For 2015, KKTRADE ranked 32nd in market share, accounting for 0.81% of the total combined trading value of SET and mai. For the year, KKTRADE had revenue from equity brokerage fee of Baht 315.41 million and revenue from TFEX brokerage fee of Baht 32.95 million.



2.2 Investment Banking Business

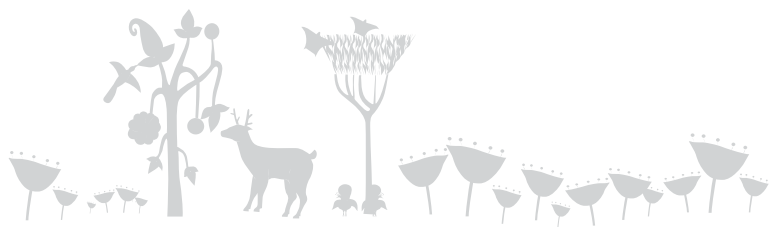
PTSEC is one of the leading investment banks in Thailand, providing financial advisory services and securities placement services to government agencies, state enterprises and leading companies in Thailand.

Previous examples of our work include the IPO/POs of PTT PCL, Krungthai Bank PCL, Thai Airways International PCL, Thai Oil PCL, PTT Exploration and Production PCL, Tesco Lotus Retail Growth Freehold and Leasehold Property Fund, Airports of Thailand PCL, Rayong Oil Refinery PCL, Thai Beverage PCL, BTS Rail Mass Transit Growth Infrastructure Fund, and MK Restaurant Group PCL.

With our continuous effort to scout for new financial solutions to serve clients' needs, PTSEC advised and assisted Charoen Pokphand Foods PCL on the issuance of exchangeable bonds of CPF into CP ALL PCL's shares in 2014. The offering was the first-ever issuance of exchangeable bonds in the Thai Capital Market. Moreover, PTSEC also advised BDMS in its issuance of convertible bonds.

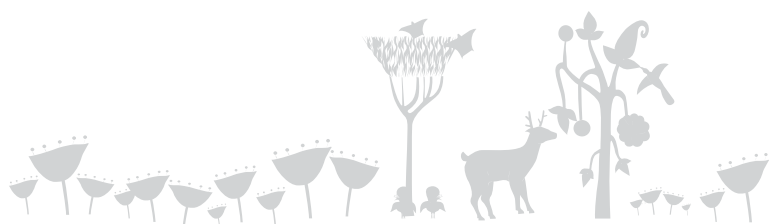
In 2015, PTSEC helped companies raise capital through the stock market for Baht 12,958 million. PTSEC was appointed as a financial advisor and lead underwriter of Star Petroleum Refining PCL in its Initial Public Offering.

Name of the Company	Details of the Project	Value (Baht Million)
Star Petroleum Refining PCL (SPRC)	Initial Public Offering	12,958



Despite the challenging environment, PTSEC continues to play a major role in the M&A market, advising major corporations in merger and acquisition transactions, facilitating joint ventures and business alliances, restructuring of businesses, and advising on issuance of financial instruments. PTSEC was chosen to be the financial advisor of Jardine Cycle and Carriage Limited, PTT PCL, and Charoen Pokphand Foods PCL, with combined transaction sizes totaling Baht 37,092 million.

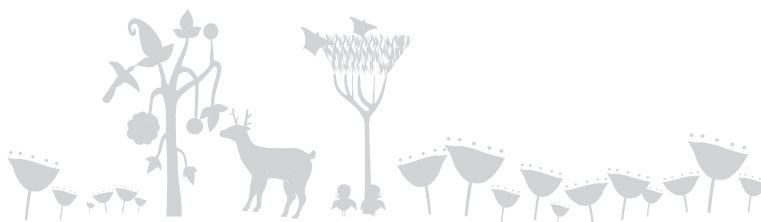
Name of the Company	Details of the Project	Value (Baht Million)
Jardine Cycle and Carriage Limited (JC&C)	Acquisition of ordinary shares of Siam City Cement PCL from Holcim Limited	20,045
PTT PCL (PTT)	Divestment of ordinary shares in The Bangchak Petroleum PCL	13,491
Charoen Pokphand Foods PCL (CPF)	Acquisition of ordinary shares of C.P. Cambodia Company Limited from Orient Success International Limited	2,850
PTT PCL (PTT)	Divestment of ordinary shares in PTT Polymer Logistics Company Limited	707



Following the merger of the Bank and PHATRA to form the Group in September 2012, the Group has actively strived to achieve corporate synergy and to provide our clients with complete financial product suites. Part of this strategic initiative was our entry into fixed income business with the establishment of Debt Capital Markets at PTSEC to cover fixed income products issuance in the primary market.

In 2015, PTSEC serviced corporate clients in six debt offerings as follows:

Name of the Company	Details of the Project	Value (Baht Million)
CP ALL PCL (CPALL)	Senior Unsecured Debentures Offering (No.1)	20,000
Srisawad Power 1979 PCL (SAWAD)	Senior Unsecured Debenture Offering (No.2)	200
Grand Canal Land PCL (GLAND)	Senior Unsecured Debenture Offering (No.1)	100
Phatra Leasing PCL (PL)	Senior Unsecured Debenture Offering (No.2)	450
Phatra Leasing PCL (PL)	Senior Unsecured Debenture Offering (No.4)	500
Gunkul Engineering PCL (GUNKUL)	Senior Unsecured Debenture Offering (No.1)	300



For 2016, PTSEC will place emphasis on growing fee income through the participation as financial advisor in M&A activities, equity and equity-linked offering transactions, and debt offering transactions. PTSEC plans to expand its client base to include mid-sized corporations and to offer them tailored product suites. It will continue to offer new and innovative financing solutions to its existing and potential clients via non-traditional products, such as infrastructure fund offerings, Real Estate Investment Trusts, and equity-linked offerings, and to be the advisor of choice to its existing and potential clients. PTSEC will also continue to work with the Bank, partners, and other stakeholders to offer more complete wholesale banking solutions to its clients, monitor the market for opportunities, and identify potential M&A targets for its corporate clients, both domestically and internationally.

2.3 Investment Business

The Investment Business is divided into three categories as follows:

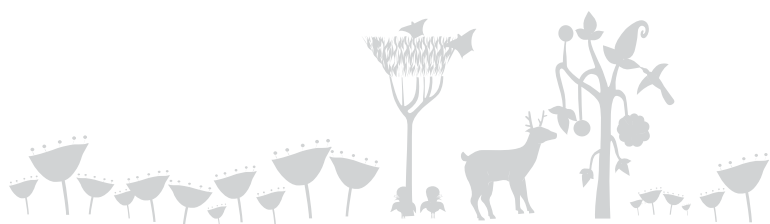
1) *Medium and Long Term Investment*

Medium and Long Term Investment is operated by the Direct Investment Department of PHATRA. The Direct Investment Department operates under supervision of the Investment Committee, which considers and approves each investment and divestment proposed by the Direct Investment Department and also considers the expected rate of return of investment and the risk level. The investment horizon of the Direct Investment Department is approximately three to five years and the investment covers equity and equity-linked, listed and private companies, and also both on-shore and off-shore companies. The Direct Investment Department searches for investment opportunity in companies that have a strong business model and sustainable competitive advantage, have visible business growth opportunity, have the ability to generate high return on invested capital, are managed by capable management, and whose share prices have yet to reflect their strong fundamental value. In order to evaluate investment opportunity, the Direct Investment Department conducts

company visits and management interviews. The team then performs industry analysis, evaluation of target companies' fundamental value and evaluation of internal control process and corporate governance structure. Finally, key risk factors and key considerations of the target companies will be evaluated.

In terms of risk management, the Direct Investment Department's investment evaluation does not only consider the potential return from investment, but also the risks involved with the business. The investment proposal prepared by the Direct Investment Department includes investment horizon, terms of investment, and also divestment plan. Prior to each investment, the proposal must be approved by the Investment Committee. Once invested, the Investment Committee will assign the Risk Management Department to monitor such investment based on risk management framework on a daily basis. The Investment Committee will be notified or called for meeting to review a particular investment once the market price of the investment exceeds the pre-determined threshold or the holding of such investment exceeds the concentration limit. Also, the market risk assessment will be conducted regularly. In addition, the Direct Investment Department regularly monitors business performance of invested companies to re-evaluate investment positions. Under certain circumstances, it may also utilize appropriate financial instruments, such as derivatives, for hedging purposes, which will be approved by the Investment Committee.

As PHATRA highly emphasizes the protection against potential conflict of interest, especially on the use of internal information, it strives to avoid any conflict of interest between investment of PHATRA and PTSEC clients. Thus, the Direct Investment Department is treated equally as one of PTSEC's clients and has no access to information or research reports that differ from other investors. In addition, policies on usage of internal information, employees' trading activities, and Chinese Wall among entities within the Capital Market Group are specified in order to promote transparency and good corporate governance in order to prevent any potential conflict of interest.



In 2015, the Board of Directors of PHATRA set net additional investment line for direct investment to Baht 1,500 million. Nevertheless, the net additional investment line can be adjusted according to the Capital Market Group's business plan or capital market situation. At the end of 2015, the Direct Investment Department's portfolio had market value of Baht 1,214 million. It generated a total loss of Baht 88 million, consisting of dividend income of Baht 24 million, realized gain of Baht 59 million, and negative change in unrealized gain in the amount of Baht 171 million.

2) Equity and Derivatives Trading

This investment is operated by the Equity & Derivatives Trading Department of PTSEC with currently three investment strategies as follows:

2.1 Arbitrage Trade

The Arbitrage Trade is short-term investment of not more than one year in equity, equity-linked, and derivatives listed on the SET and TFEX, notably securities listed in the SET100 index or of minimum Baht 3,000 million market value, futures contracts and options (including their underlying assets), and ETFs under a market-neutral principle. Profit is generated from market price discrepancy between the underlying asset and its derivatives, including securities or derivatives with the same underlying asset. The trade is made under investment and risk framework approved by the Investment Committee and the Risk Management Committee to achieve a return rate specified by the Investment Committee. Trading of securities and/ or derivatives is made to mitigate risk on overall market price.

2.2 System Trade

The System Trade is short-term investment of not more than one year in equity, equity-linked, and derivatives listed on the SET and TFEX, notably securities that are listed in SET100 index or of minimum Baht 3,000 million market value, futures contracts and options (including their underlying assets), and ETFs, utilizing information from pricing model and back-test of market price and statistical relationship. The practice aims to define features and opportunities to make profit via the difference or behavior of the price movement. Trading of securities and/ or derivatives

is executed systematically according to the pricing model.

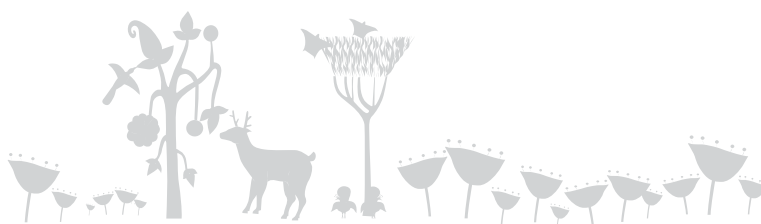
2.3 Financial Product and Service

The Equity & Derivatives Trading Department issues and offers financial instruments to the investors which currently are equity-linked notes, derivative warrants and OTC derivatives. Equity-linked note is a short-term bond of which its payoff depends on the underlying asset as stated in the contract. Derivative warrant is a warrant that the department had registered for trading via the SET's direct listing system, including both call warrant and put warrant. OTC derivative is a derivative contract between counterparties of which its payoff depends on the underlying asset as stated in the contract. To issue and offer the instruments, the department will evaluate and define purchasing and/ or selling price based on related factors in order to generate a proper return rate. In addition, the department also performs market-making duty on SET50 Index Option for TFEX and ETFs for asset management companies.

In terms of risk management, the Risk Management Committee has set policy upon investment value according to liquidity of invested securities, VaR limit and accumulated loss limit. The committee also assigns the Risk Management Department of PTSEC to monitor investment and report to related parties on a daily basis. In case that investment value or risk level is higher than the defined limits, the Equity & Derivatives Trading Department will reduce the exposure to meet the risk criteria within the defined timeframe.

For 2015, the department had a total cash limit for investment that was approved by the Board of Directors of PTSEC of not more than Baht 7,500 million. The Investment Committee had also set limits within the approved total cash limit for each investment strategy as: maximum Baht 7,500 million for Arbitrage Trade (allows transferring from other strategies due to lower-risk nature of the Arbitrage Trade), maximum Baht 300 million for System Trade, and maximum Baht 3,000 million for Financial Product and Service (excluding proceeds from structured notes).

At the end of 2015, the department had net cash usage for investment of Baht 2,518 million.



3) Hedge Fund

The business operated by the Hedge Fund Department of PTSEC consists of two types as follows:

3.1 Short-Term Investment using Hedge Fund Strategy

The strategy is operated by the Hedge Fund Department focusing on short-term investment of not more than one year in equity and equity-linked securities by using systematic investment strategy together with quantitative analyzing and risk management to get a return rate specified by the Investment Committee.

In terms of risk management, the Risk Management Committee has guidelines to monitor and review investment portion, Value-at-Risk, and statistical performance. It also sets investment limit as per liquidity of invested securities and accumulated loss limit as per the Investment Committee. Once the loss limit is reached, the Hedge Fund Department must stop trading and report to the committee to consider further plans. The Risk Management Department of PTSEC is in charge of monitoring and reporting to the management on a daily basis.

In 2015, the department had an initial cash investment amount approved by the Board of Directors of PTSEC of not more than Baht 2,700 million. At the end of 2015, the department had net asset totaling Baht 3,015 million.

3.2 Advisory Business

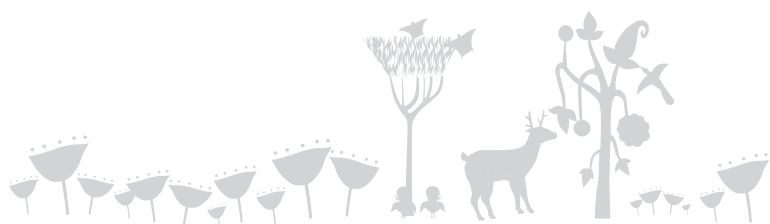
The Hedge Fund Department provides an advisory service to PASSET using systematic investment strategy. The strategy is offered to clients as private funds and mutual fund.

New products were introduced both in private fund and mutual fund segments in 2015. In addition to the existing active fund strategy for private fund, systematic management strategy was introduced. Collaborating with the team of systematic fund experts from PTSEC, leveraging on their expertise and experience, clients enjoyed heightened levels of comfort knowing that the strategy had been tested in the real world with satisfactory results. After a warm welcome from private fund clients, a similar strategy was introduced to the mutual fund segment, aiming at accredited investors during the first phase of introduction under the name of Phatra Absolute Return Fund.

In addition, a new foreign investment fund - Phatra Global New Perspective Fund (Phatra GNP) - was launched, providing geographical diversification and opportunity to gain early exposure to the global economic recovery. The fund feeds investments to the master fund run by the Capital Group, namely the New Perspective Fund (Lux) that focuses its investment in global equity. The Capital Group is one of the world's largest fund management houses, with AUM of USD 1.4 trillion. Backed by over eighty years of fund management experience, a unique capital system of fund management that hinges investment decisions on rigorous in-house research based on long-term fundamentals, and with excess of forty years of the fund's superior and consistent track record, the fund was selected and subsequently offered to clients.

2.4 Asset Management Business

PASSET's unwavering focus on delivering consistent superior performance and new product offerings that are conducive to clients' best interest helped the company to earn trust from clients, driving assets under management (AUM) to grow in excess of 27% YoY in 2015. As of the end of the year, AUM stood at Baht 45.259 billion, comprising of Baht 9.964 billion in private funds, Baht 21.359 billion in mutual funds, and Baht 13.937 billion in property funds.



Distribution Channels

The Group provides services through four entities: the Bank, PTSEC, KKTRADE, and PASSET. Details are as follows:

1. Kiatnakin Bank

As of December 31, 2015, the Bank has sixty-five branches (including headquarters). The breakdown by geography is as follows:

Region	No. of Branches
Bangkok and Vicinity	33
Central	7
East	7
North East	6
South	6
North	6
Total	65

Other than its existing branch network, the Bank operates two auction centers, which are located on the Bangna-Trad Highway (8th km) and in Udon Thani province, to support the car auction activities in both metropolitan and provincial areas. The Bank auction centers offer high-standard integrated full-service capacity to clients.

In addition to its branch network, the Bank recognizes the importance of providing sales and services through electronic channels and telephony channels. In the next few years, the Bank will focus on the development of these channels in order to satisfy the growing needs of target clients, reduce the barrier of number of physical branches and create innovations.

Currently, the Bank has the following electronic channels.

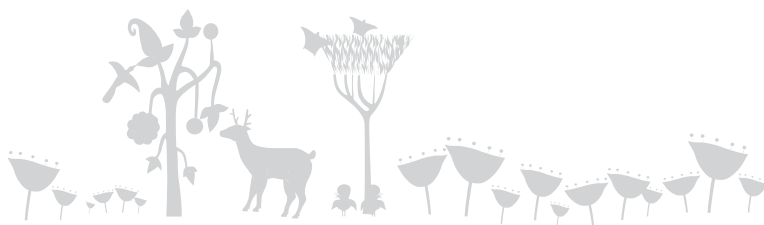
- Online banking services, which include KK e-Banking Service, an online banking system that provides basic banking services anywhere anytime; the consolidation

of KK deposit to Phatra Statement (portfolio) via Phatra online banking service; and KK Biz e-Banking, an online banking system for corporate clients to view their deposit account information, collection & payment and special service for car dealer business.

- KK ATM service: a 24-hour electronic banking system that allows the Bank's clients to perform all kinds of transactions nationwide via ATM pool. The Bank also issued four new types of ATM card (KK Value Card, KK Maxi Card, KK Trust Card and KK Project Card) that tie in with different kinds of life/ accident protection where clients can choose to match with their lifestyles.
- KK CDM service: a 24-hour electronic banking system that allows the Bank's clients to make a cash deposit via any Cash Deposit Machine (CDM) through nationwide CDM pool.
- Mobile phone channel services, which include KK Smart SMS service, an automatic system providing SMS transaction alerts to clients' mobile phones. The Bank has also introduced a smart phone application "KK Auto" service, which allows users to perform hire-purchase-related transactions such as query for new car price, estimate of used car price for car owners looking for cash, query on car insurance policy, contact box for users to drop requests or questions and for the Bank to give personalized timely feedback, and notification for payment through the use of smart phones.

In addition, the Bank operates KK Contact Center (phone number 0-2165-5555) to serve clients' inquiries and transactions through Phone Service (IVR) and KK Contact Center agents. In 2015, the Bank launched many new services of the KK Contact Center aiming to increase convenience and be an alternative channel to clients. The developments are as follows:

- Open new account service (saving account and fixed deposit account) via KK Contact Center agents;
- Deposit outstanding balance inquiry via Phone Service (IVR);



- Own account transfer service (within KK Bank only) via automatic phone banking system and KK Contact Center agent;
- Cheque suspension, buying cheque service via KK Contact Center agent;
- Statement request via fax; and
- Promotional section, which informs about new products, services and promotions of interest

The Bank also operates KK Biz Contact Center (Phone number 0-2165-5599) to better service partners (such as car dealers) and corporate clients.

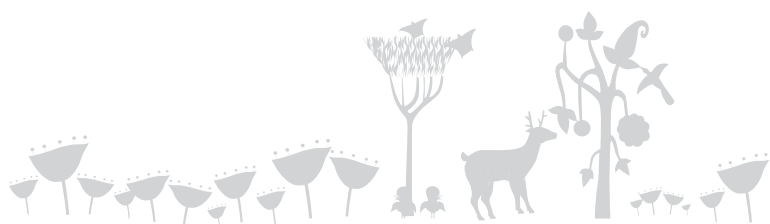
For online communication channels, the Bank values the power of online thus providing various 'own' online media that match clients' behaviors and lifestyles in order to develop strong engagement between clients and the Bank.

- KK website (www.kiatnakin.co.th): the Bank revamped its website to be more client- friendly which includes centralizing information of the Bank's products, services, promotions, tools & knowledge to fully help support clients' financial decisions, easily drop requests or questions and for the Bank to give personalized timely feedback to valued clients as well as collecting clients' feedback in order to improve the Bank's products, processes and services.

- KK social media: the Bank provides official social media such as KK Facebook (www.facebook.com/kiatnakinlive) and KK YouTube (www.youtube.com/kiatnakinlive) to reach and engage target groups and prospective clients by posting qualitative and quantitative contents of the Bank's products, services, promotions, news, money/investment articles by the Bank's gurus together with a 24-hour comment/complaint handling.

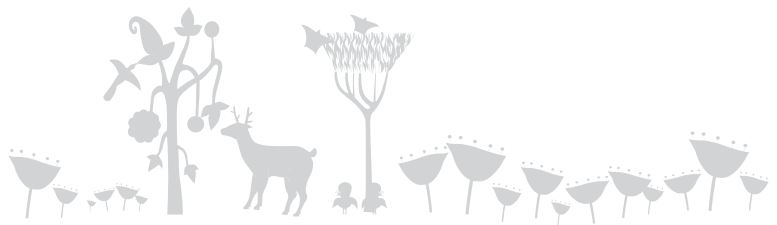
- KK e-newsletter: according to the current client behaviors where content and information are consumed via mobile & computer, the Bank has launched KK e-newsletter via email which is issued bi-weekly. The contents consist of KK products, services, promotions, news and articles that match the target profile.

Furthermore, the Bank designed and established 'One Account' process to enable the Group's clients to be able to use all types of channels, products and services more conveniently. The process starts by asking for clients' personal profiles in the first application. Then, clients who would like to subscribe to an additional product/service are able to do it easily, without entering all information once again.

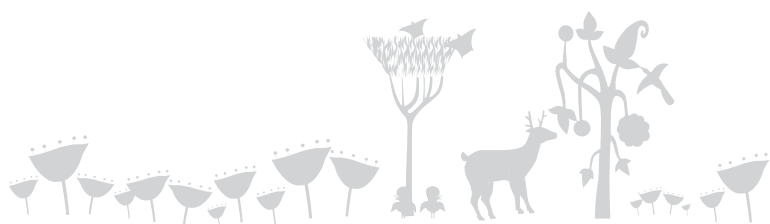


Apart from the Bank's own channels, the Bank also expands services through partner channels. Clients who would like to apply for bank loans can do so via any branch of B-Quik and Counter Service nationwide. Loans can also be applied online through www.silkspan.com. Also, clients can now transfer or deposit money to the Bank's account at any Thailand Post branch nationwide.

No.	Branch	Address	Phone	Fax
Bangkok and Perimeter				
1	Asoke Branch	209 K Tower, Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110	0-2165-5555	0-2664-1454
2	Seacon Square Srinakarin Branch	55 Seacon Square Shopping Centers 3 rd Fl., Srinakarin Road, Nongbon, Pravet Bangkok 10250	0-2165-5555	0-2320-0623
3	Petkasem-Kanjanapisek Branch	919/42-43 Petkasem Road, Bang kae, Bangkok 10160	0-2165-5555	0-2454-8657
4	Yaowarat Branch	289 Yaowarat Road, Samphanthawong, Bangkok 10100	0-2165-5555	0-2223-1372
5	Siphaya Branch	78 Trok Captain Bush (Charoen Krung 30), Bangrak, Bangkok 10500	0-2165-5555	0-2237-7884
6	Suksawas Branch	178, 180, 182 Suksawas Road, Bangpakok, Ratburana, Bangkok 10140	0-2165-5555	0-2428-8798
7	Major Ratchayothin Branch	234/2 Major Avenue Ratchayothin, 1 st Fl., Ratchadaphisek Road, Latyao SubDistrict, Chatuchak District, Bangkok 10900	0-2165-5555	0-2939-6179
8	Nakhon Pathom Branch	992/2-3 Petkasem Road, Tambon Huay Jarakae, Amphoe Muang, Nakhon Pathom 73000	0-2165-5555	034-271-584
9	Samut Prakan Branch	89/8-10 Moo 5, Tambon Bang Muang, Amphoe Muang, Samut Prakan 10270	0-2165-5555	0-2703-2650
10	Pathum Thani Branch	433, 435, 437 Rangsit-Nakhon Nayok Road, Tambon Prachathipat, Amphoe Thanyaburi, Pathum Thani 12130	0-2165-5555	0-2533-0343
11	Nonthaburi Branch	68/30-32 Moo 8, Tambon Bangkrasor, Amphoe Muang, Nonthaburi 11000	0-2165-5555	0-2525-3056
12	Samut Sakhon Branch	1400/98-101, Ekkachai Road, Tambon Mahachai, Amphoe Muang, Samut Sakhon 74000	0-2165-5555	034-837-212
13	Silom Branch	323 United Center Building, 2 nd Floor, Silom Road, Silom, Bang Rak, Bangkok 10500	0-2165-5555	0-2237-1952
14	The Mall Bangkok Branch	3522 The Mall Bangkok Department Store, 2 nd Floor, Lat Phrao Road, Khlong Chan, Bangkok 10240	0-2165-5555	0-2704-9110
15	Central Festival Eastville	69, 69/1, 69/2 Central Festival Eastville 3 rd Fl., Praditmanutham Road, Ladprao, Bangkok 10230	0-2165-5555	0-2041-8902
16	Charoen Krung Branch	273/8 Charoen Krung Road, Pom Prap, Pom Prap Sattru Phai, Bangkok 10100	0-2165-5555	0-2221-3148
17	Central Plaza Pinklao Branch	7/222 Central Plaza Pinklao, 4 th Fl., Boromratchonnani Road, Arun-Amarin, Bangkoknoi, Bangkok 10700	0-2165-5555	0-2434-9622
18	Rama 3 Branch	493/4-6 Linchi Road, Chong Nonsi, Yannawa, Bangkok 10120	0-2165-5555	0-2287-3230
19	Thong Lor Branch	125/19, Soi Sukhumvit 55, Khlong Tan Nuea, Vadhana, Bangkok 10110	0-2165-5555	0-2392-6662
20	Phaholyothin Place Branch	408/4 Phaholyothin Place Building, 1 st Floor, Phaholyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400	0-2165-5555	0-2619-0136
21	Central Plaza westgate Branch	199, 199/1, 199/2 Moo 6, Central Plaza westgate 3 rd Fl., Tambon Sao Thong Hin, Amphoe Bang Yai, Nonthaburi 11140	0-2165-5555	0-2903-3600
22	Rama IV Branch	1032/7-8, Rama IV Road, Thungmahamek, Sathorn, Bangkok 10120	0-2165-5555	0-2287-3579
23	The Mall Thaphra Branch	99 The Mall Thaphra, 2 nd Fl., Ratchadapisek Road, Bukkalao, Thonburi, Bangkok 10600	0-2165-5555	0-2477-7162
24	Mahanak Branch	1082/5, Boe Bae Mini Office Tower, Krung Kasem Road, Mahanak, Pom Prap Sattru Phai, Bangkok 10100	0-2165-5555	0-2628-0025
25	Fashion Island Branch	587, 589, 589/7-9, Ramintra Road, Kannayao, Bangkok 10230	0-2165-5555	0-2947-5077
26	Central Plaza Bangna Branch	587, 589 Central Plaza Bangna 4 th Fl., Bangna-trad Road (km.3) Bangna, Bangkok 10260	0-2165-5555	0-2398-5950
27	Paradise Park Branch	Paradise Park, 2 nd Floor, 61 Srinakarin Road, Nongbon, Pravet, Bangkok 10250	0-2165-5555	0-2325-9150
28	Siam Paragon Branch	991 Rama 1 Road, Pathumwan, Bangkok 10330	0-2165-5555	0-2610-9669
29	Seacon Bangkok Branch	Seacon Bangkok Department Store, 3 rd Floor, 607 Petchakasem Road, Bangwha, Phasicharoen, Bangkok 10160	0-2165-5555	0-2458-2826
30	Bang Bon Branch	265 Ekachai Road, Bangbon, Bangkok 10150	0-2165-5555	0-2417-2499
31	Wongwian 22 karakada Branch	132 Mittraphan Road, Pom Prap, Pom Prap Sattru Phai, Bangkok 10100	0-2165-5555	0-2221-7327
32	Muang Thai - Phatra Complex Building Branch	252/203 Muang Thai - Phatra Complex Building, 2 nd Fl., Ratchadaphisek Road, Huaykwang, Bangkok 10310	0-2165-5555	0-2275-8633
33	Central World	4, 4/1-2, 4/4 Central World, 4 th Fl., Rachadamri Road, Pathumwan, Pathumwan, Bangkok 10330	0-2165-5555	0-2646-1244



No.	Branch	Address	Phone	Fax
Central				
34	Ratchaburi Branch	286/25-28 Srisuriyawong Road, Tambon Na Muang, Amphoe Muang, Ratchaburi 70000	0-2165-5555	032-310-391
35	Saraburi Branch	568/7-9, Paholyothin Road, Tambon Pak Priao, Amphoe Muang, Saraburi 18000	0-2165-5555	036-318-446
36	Kanchanaburi Branch	275/1-2 Saeng Chootoh Road, Tambon baan Nua, Amphoe Muang, Kanchanaburi 71000	0-2165-5555	034-620-646
37	Hua Hin Branch	39-39/1 Chomsin Road, Tambon Hua Hin, Amphoe Hua Hin, Prachuab Kirikun 77110	0-2165-5555	032-547-660
38	Suphan Buri Branch	290/3-6 Moo 4 Tambon Sanamchai, Amphoe Muang, Suphan Buri 72000	0-2165-5555	035-546-277
39	Ayuthaya Branch	100 Moo 1, Tambon Pailing, Amphoe Phranakorn, Sri Ayuthaya 10300	0-2165-5555	035-235-642
40	Phetchaburi Branch	132/8-10 Moo. 1, Tambon Tonmamuang, Amphoe Muang, Phetchaburi 76000	0-2165-5555	032-454-722
East				
41	Chonburi Branch	342 Wachirapakan Road, Tambon Bang Pla Soi, Amphoe Muang Chonburi, Chonburi 20000	0-2165-5555	038-384-950
42	CentralPlaza Rayong Branch	99-99/1 CentralPlaza Rayong 2 nd Fl., Bangna-Trat Road, Tambon Choengnoen, Amphoe Muang Rayong, Rayong 21000	0-2165-5555	038-808-095
43	Chantaburi Branch	29/1-4 Moo 7, Tambon Chantanimitr, Amphoe Muang, Chantaburi 20000	0-2165-5555	039-343-615
44	Chachengsao Branch	508, 510 Chachengsao-Bang Pakong Road, Tambon Na Muang, Amphoe Muang, Chachengsao 24000	0-2165-5555	038-516-106
45	Pattaya Branch	47/70 Moo 9, Pattaya Klang Road ,Tambon Nong Prue , Amphoe Bang Lamung, Chonburi 20150	0-2165-5555	038-489-162
46	Sa Kao Branch	330 Suwansorn Road, Tambon Sa Kao, Amphoe Muang, Sa Kao 27000	0-2165-5555	037-241-993
47	Sriracha Branch	6-8 Sriracha Nakorn Road 3, Tambon Sriracha, Amphoe Sriracha, Chonburi 20110	0-2165-5555	038-313-820
North East				
48	Nakhon Ratchasima Branch	952, 954, 956, 958, 960 Mittraphap Rd., Tambon Nai Muang, Amphoe Muang, Nakhon Ratchasima 30000	0-2165-5555	044-256-746
49	Khon Kaen Branch	9/2 Prachasomosorn Road, Tambon Nai Muang, Amphoe Muang, Khon Kaen 40000	0-2165-5555	043-337-734
50	Sunee Tower Branch	512/8 Sunee Tower 1 st Floor Chayangkul Road, Tambon Nai Muang, Amphoe Muang, Ubonratchathani 34000	0-2165-5555	045-209-258
51	UdonThani Branch	215/25, 215/27 Udon Dusadee Road, Tambon Mak Keng, Amphoe Muang, Udon Thani 41000	0-2165-5555	042-223-242
52	Surin Branch	6/7 Lak Muang Road, Tambon Nai Muang, Amphoe Muang, Surin 32000	0-2165-5555	044-535-031
53	Nong Khai Branch	527 - 528 Moo 7, Tambon Nai Mueang, Amphoe Muang, Nong Khai 43000	0-2165-5555	042-460-151
South				
54	Hat Yai Branch	20/1 Ratyindee Road, Tambon Hat Yai, Amphoe Hat Yai, Song Khla 90110	0-2165-5555	074-343-309
55	Surathani Branch	22/144-145-146, Raj-Uthit Road, Tambon Talad, Amphoe Muang, Surathani 84000	0-2165-5555	077-217-408
56	Nakhon Si Thammarat Branch	111, 111/1-4 Pattanakarn kookwang Road, Tambon Klung, Amphoe Muang, Nakhon Si Thammarat 80000	0-2165-5555	075-317-171
57	Phuket Branch	63/714-716 Moo 4 Tambon Vichit, Amphoe Muang, Phuket 83000	0-2165-5555	076-522-310
58	Krabi Branch	254, 254/1, 254/2 Moo 11, Tambon Krabi Noi, Amphoe Muang, Krabi 81000	0-2165-5555	075-663-923
59	Trang Branch	59/12-14 Huay Yod Road, Tambon Thap Thieng, Amphoe Muang, Trang 92000	0-2165-5555	075-223-293
North				
60	Phitsanulok Branch	286/10 Pichaisongkram Road, Tambon Nai Muang, Amphoe Muang, Phitsanulok 65000	0-2165-5555	055-211-687
61	Chiang Mai Branch	33 Chiang Mai-Lampang Road, Tambon Chang Phueak, Amphoe Muang, Chiang Mai 50300	0-2165-5555	053-409-625
62	Nakhon Sawan Branch	1311/18-21 Moo 10, Tambon Nakornsawan Tok, Amphoe Muang, Nakhon Sawan 60000	0-2165-5555	056-313-655
63	Chiang Rai Branch	102, 102/1-3 Moo 13, Tambon Rob Wieng, Amphoe Muang, Chiang Rai 57000	0-2165-5555	053-719-434
64	Lampang Branch	142-144 Highway-lampang-Ngua, Tambon Phra Bat, Amphoe Muang, Lampang 52000	0-2165-5555	054-317-699
65	CentralFestival Chiang Mai Branch	99, 99/1, 99/2 Moo 4, Super Highway Road, Tambon Fah Ham, Amphoe Muang Chiang Mai, Chiang Mai 50000	0-2165-5555	053-288-699



2. PTSEC

The sales and service channel of PTSEC is through its head office at Muang Thai-Phatra Office Tower 1, 252/6 Rachadapisek Road, Huaykwang, Bangkok 10310 (Tel. 0-2305-9559). Additionally, services by phone and by Internet are available, providing accessibility to clients nationwide.

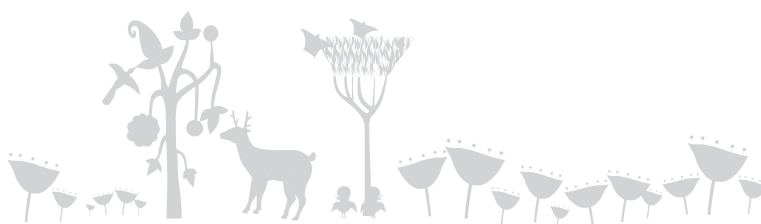
3. KKTRADE

KKTRADE provides securities services via its head office at Amarin Tower, 7th Floor, and at twelve other branches. Clients can contact Client Service at: Tel. 0-2680-2888. Details of KKTRADE branches are as follows:

Location	No.	Branch
Bangkok and Vicinity	5	Amarin Tower, K Tower, Asoke, Bangna, Nonthaburi
Provincial Areas	8	Chiang Mai, Hadyai, Khon Kaen, Rayong, Samutsakorn, Chonburi, Phitsanulok, Nakorn Sri Thammarat

4. PASSET

PASSET is currently located at 19/F Muang Thai-Phatra Complex Building Tower A, 252/25 Rachadapisek Road, Huaykwang, Bangkok 10310 (Tel. 0-2305-9800). Distribution is carried out, in addition to the head office, through twenty-seven selling agents of which two are commercial banks, twenty-three are securities companies, and two are mutual fund brokerage companies. Internet channel is also provided for added convenience to unit holders.



Market Condition and Competition

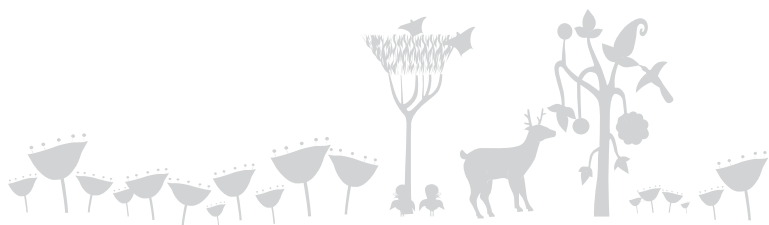
1. Commercial Banking Business

There are fourteen commercial banks in the Thai banking system, eleven of which are publicly listed companies on the SET. Thai banks, classified by their asset sizes, deposits, and net loans, based on the summary of assets and liabilities (C.B.1.1) as of the end of 2015, can be grouped as follows:

Table presents Assets, Deposits, and Net loans of Thai Commercial Banking system at the end of 2015

No.	Thai Commercial Bank	Assets		Deposits		Loans (Net Allowance for Doubtful Account)	
		(Baht '000)	Market Share (%)	(Baht '000)	Market Share (%)	(Baht '000)	Market Share (%)
1	Bangkok Bank	2,742,220,519	17.7	2,039,107,787	18.2	1,718,533,658	16.4
2	Krung Thai Bank	2,748,607,834	17.7	2,137,446,488	19.1	1,892,307,966	18.1
3	Siam Commercial Bank	2,557,425,859	16.5	1,884,903,678	16.8	1,758,120,512	16.8
4	Kasikorn Bank	2,248,266,868	14.5	1,708,593,777	15.3	1,525,219,624	14.6
5	Bank of Ayudhya	1,652,551,227	10.7	1,052,071,691	9.4	1,184,913,424	11.3
6	Thanachart Bank	938,834,442	6.1	670,575,221	6.0	655,855,094	6.3
7	Thai Military Bank	838,233,305	5.4	644,729,505	5.8	551,743,195	5.3
8	UOB Bank	434,552,237	2.8	302,238,809	2.7	283,015,951	2.7
9	TISCO Bank	269,800,159	1.7	159,046,427	1.4	228,695,792	2.2
10	CIMB Thai	303,597,503	2.0	170,502,087	1.5	190,018,290	1.8
11	Standard Chartered Bank	209,179,228	1.3	98,759,857	0.9	83,837,637	0.8
12	Kiatnakin Bank	221,471,667	1.4	104,780,870	0.9	170,601,874	1.6
13	Land and House Bank	198,038,829	1.3	137,300,095	1.2	130,163,217	1.2
14	ICBC (Thai)	150,892,915	1.0	86,201,364	0.8	96,731,372	0.9
Total		15,513,672,592	100.0	11,196,257,656	100.0	10,469,757,606	100.0
4 large-sized commercial banks		10,296,521,080	66.4	7,770,051,730	69.4	6,894,181,760	65.8
3 medium sized commercial banks		3,429,618,974	22.1	2,367,376,417	21.1	2,392,511,713	22.9
7 small commercial banks		1,787,532,538	11.5	1,058,829,509	9.5	1,183,064,133	11.3

Source : Summary Statement of Assets and Liabilities (C.B.1.1) as of December 31, 2015, the Bank of Thailand



The total assets of Thai commercial banks as of the end of 2015 are Baht 15.5 trillion, expanding at a rate of 5.6% per year, accelerating from a rate of 4.0% in 2014. From a commercial bank perspective, it can be seen that the total assets of the four large commercial banks (which account for up to 66% of the market) continued to expand at a rate of 2.6% per year as of December 2015, while the total assets of the mid-sized banks expanded at a faster rate of 18.0%. The small-sized commercial banks however expanded at a slower rate of 2.0%.

The acceleration in expansion of the commercial banks' assets is mainly due to an increase in their overall loans, especially in the second half of the year, following stimulus measures such as the two consecutive decreases in the policy interest rate from the Bank of Thailand, and the Government's soft loan program. These factors led to an increase in total net loan amount of Thai commercial banks to Baht 10.5 trillion in December 2015, expanding at a rate of 5.8% per year, accelerating from 2014 which expanded at a rate of 4.2% per year.

Nevertheless, the lackluster economic growth in 2015, where both domestic and international risk factors visibly appeared, led to a deterioration of the quality of bank loans in every sector, as evidenced by the increase in NPLs to 2.55% of commercial banks' total loans at the end of 2015, up from 2.15% in the same period last year. However Thai commercial banks have been raising the quality control of their lending, which reduced the ratio of Special Mention (SM) loans to total loans to 2.38% at the end of 2015. Meanwhile, the capital adequacy ratio of Thai commercial banks was as high as 17.4% as of the end of 2015, higher than the standard level indicated by the Bank for International Settlements (BIS) at 8.5%, implying that the Thai commercial bank system is still strong.

For commercial bank deposits, the growth rate has deteriorated. The total deposit amount of Thai commercial banks decelerated to Baht 11.2 trillion in December 2015, expanding at a rate of 2.8% per year. This rate was slower than that of the same time last year, which was expanding at a rate of 6.5% per year. Part of the reason for the

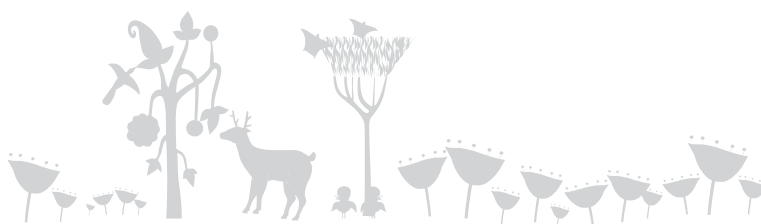
deceleration of the deposit amount expansion was the commercial banks' intention to cut down cost of funds. Apart from that, the lowering trend of interest rates led depositors to transfer their money into other investment products (Deposit Migration), such as money market funds which give a higher return. Moreover, the change in the commercial banks' trend to focus more on fee-based income such as bancassurance and wealth management, rather than traditional fee income was one of the factors that led to slower commercial bank deposit growth as well.

In addition, Thai economic growth remained fragile which resulted in bad credit loans. Also, the banks had to increase reserve funds since the banks' efficiency of profit-seeking decreased. For the year 2015, the net income of Thai commercial banks was Baht 180 billion, a decrease of 12.5% compared to last year. However, since the banks' profit-seeking strategy focused mainly on financial transaction fees, the income-earning from the fees was extended to 6.6% for the year 2015 compared to the previous year.

Outlook of Commercial Banking Business

In 2016, the commercial banking industry is expected to gradually recover. This is due to three reasons as follows:

First of all, Thailand's economy is gradually improving, resulting in an increase in demand for loans. The Bank expects Thailand's economy to expand at a rate of 3.2% per year in 2016, increasing moderately from 2015 when it expanded by 2.8%. Investment in both the public and private sectors should be the main drivers of growth, expanding by 10.0% and 4.0% per year respectively according to the Bank's estimate. This should be driven by an expansion in private sector investment to replace old machinery, as well as the government's cluster development policy which aims to increase competitiveness particularly for SMEs. Moreover, the government has put forward an infrastructure development plan which includes expansion of Bangkok's skytrain system, the expansion of Suvarnabhumi airport, and the construction of new highways. The Bank expects that at least approximately Baht 40 - 70 billion will be spent on these investments.



The expansion of investments in both the private and public sectors will increase demand for loans as well. The Bank predicts total outstanding loans and business loans of commercial banks (accounting for 72% of total loans) will expand by 6.1% and 5.8% per year respectively in 2016, compared with 2.7% and 1.3% in 2015.

Second, the government's policy is continuously supportive. For monetary policy, since inflation is low, the Bank of Thailand does not need to increase the policy interest rate in the first half of 2016. Moreover, the flexibility and depreciation trend of the Thai Baht exchange rate benefits export businesses and should increase their revenue in Baht terms.

For fiscal policy, the Bank expects the Thai economy will benefit from short-term economic stimulation policies such as the village fund scheme, soft loan plan and real estate stimulation policy. Moreover, since the government plans a supplementary budget by adding Baht 70 - 100 billion to the government expense, this should also boost the Thai economy. In this regard, a gradual recovery of the Thai economy, partly resulting from a supportive government policy, might result in increasing financial transactions which will benefit commercial banks.

Third, by providing full services and using technology to assist clients when they perform financial transactions, the commercial banks can earn more revenues by charging clients financial transaction and operation fees. By doing so, commercial banks have been able to increase their revenues accordingly with an expansion rate of 12.4% per year in 2012 - 2015. An increase in the above-mentioned revenues will decrease the risk of fluctuation in the economy and interest rates, as well as contribute to an expansion of the commercial banks in the future.

Nevertheless, even though the trend of Thai commercial banks is moving in a positive direction, the banking industry is still facing three key important risk factors which are as follows: (1) a high level of household debt that will limit demand for saving and personal and business loans; (2) a high level of economic risk from the delayed execution of the government's infrastructure projects which may

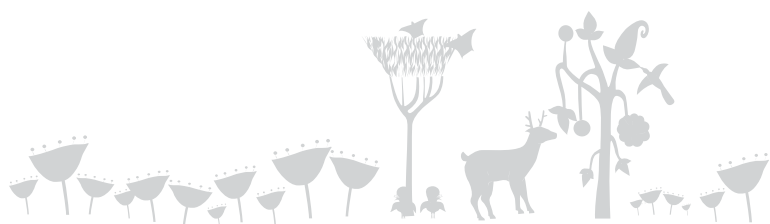
not be able to proceed as planned; risk from fluctuation of the Thai Baht which is subject to the monetary policy of developed countries; risk of drought impacting the agricultural sector which will affect farm income; and risk to the world economy which will affect the export sector of Thailand; and (3) world monetary policy divergence as the US policy interest rate increases while other central banks relax their monetary policies. This will lead to fluctuation of international capital flows which may result in the fluctuation of asset prices, while the liquidity of the monetary system may tighten.

2. Auto Hire Purchase Business

The total amount of domestic car sales in 2015 was 799,594 units, decreasing by 9.3% per year following a decline of 33.7% in 2014. This was due to the negative factors last year that affected consumers' buying power including (1) a slowdown in the economy both in investment and consumption since the first half of the last year; (2) severe drought and the decline in agricultural product prices which impacted consumer purchasing power in the agricultural sector; (3) concerns on the quality of auto hire purchase loans of the commercial banks and their tightened credit policies; and (4) the significant acceleration in new car sales in the previous two to three years.

Although there was a slowdown in car sales, the new car market improved significantly in the last quarter of 2015, led by sales of commercial cars which increased by 16.5% per year, in contrast to the first three quarters of 2015 which saw a contraction of 9.2%. Contributing factors were (1) increased purchases of new cars especially in the Sport Utility Vehicle (SUV) and Pickup Passenger Vehicle (PPV) segment, before an increase in the excise tax in 2016; (2) the increase in consumer demand for SUVs; and (3) the successful sales campaigns of automobile retailers and manufacturers.

For the used-car market in 2015, the industry saw a rebound which began in the last quarter of 2014. This was evidenced in the gradually increasing prices of used cars from the trough in 2014, and by the restocking of used-car

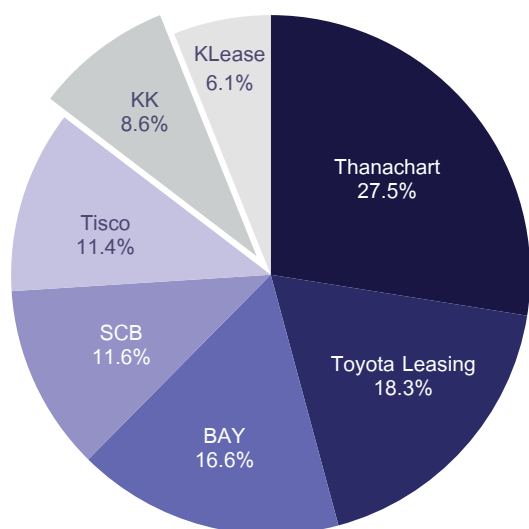


retailers. This rebound was the result of (1) the economic slowdown which had an impact on purchasing power; thus, instead of buying new cars, consumers decided to buy used cars; (2) commercial banks putting more consideration into providing hire-purchase loans for the used-car segment, since the high return of the loans could compensate for the deteriorated quality of the loans provided in 2015.

Outstanding auto hire purchase and leasing loans in the commercial banking industry (excluding personal loans using cars as collateral, such as CarQuickCash) at the end of 2015 totaled Baht 867.775 billion, a decrease of 1.0% compared to the same period of last year. This was, however, an improvement compared to 2014 in which the total amount contracted by 3.4% per year. This was due to the recovery of the car market in the last quarter of 2015, combined with the gradual recovery of the used-car market. The quality of auto hire purchase loans improved slightly. At the end of 2015, the sector's NPL to total loans outstanding ratio was 2.3%, decreasing from 2.5% at the end of 2014.

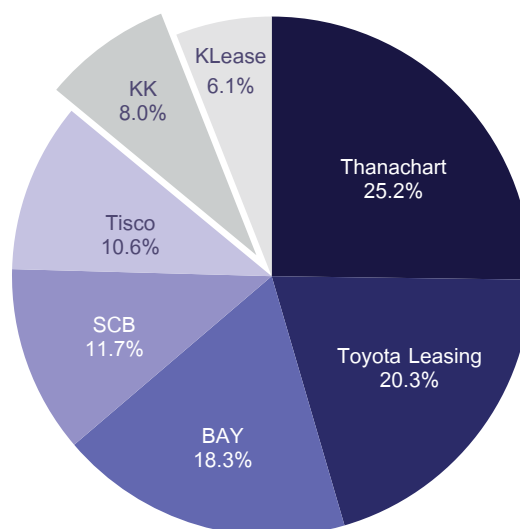
In terms of market share of auto hire purchase and leasing loan providers, at the end of 2015 (including personal loans using cars as collateral such as CarQuickCash) provided by the seven biggest car loan lenders (Thanachart Bank PCL., Toyota Leasing Co., Ltd., Bank of Ayudhya PCL., Siam Commercial Bank PCL., Tisco Bank PCL., Kiatnakin Bank and Kasikorn Leasing Co., Ltd.), the market share of Kiatnakin Bank decreased to 8.0% from 8.6% a year before. This situation partly resulted from the control for loan quality of the Bank to ensure suitable loan quality. The market shares of the seven biggest car loan lenders in 2014 and 2015 are shown below. (Note that the loan amount of Toyota Leasing Co., Ltd. was as of the end of the fiscal year ended March 31, 2014 and 2015; and that of Kasikorn Leasing Co., Ltd. was as of the end of 2014 and the end of Q2 2015.)

2014

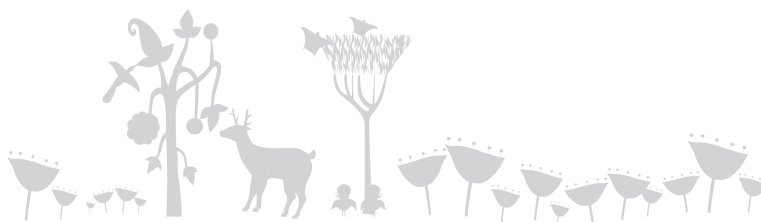


Total outstanding auto loans of 7 major companies
Baht 1,451,299 million

2015



Total outstanding auto loans of 7 major companies
Baht 1,448,398 million



Outlook of Auto Hire Purchase Business

In 2016, auto hire purchase loans in the banking system are likely to gradually recover. The Bank expects auto hire purchase loans (excluding personal loans using cars as collateral such as CarQuickCash) at the end of 2016 will expand by 4-5% per year, compared to the end of 2015 in which it expanded by 1.0% per year. The used-car market is expected to continually recover and the need for used cars should increase, since new car prices have risen in 2016 due to the new excise tax scheme. The sale of new cars in Thailand in 2016 is expected at about 760,000 - 780,000 units, declining from the previous year due to the fact that many consumers purchased cars at the end of 2015 before the new excise tax scheme came into effect. Nevertheless, the new-car market may be able to expand greater than forecast due to three positive factors, which are a possible rebound in domestic economic conditions, low oil prices, and lower excise tax in the eco-car segment.

On the other hand, auto hire purchase loans may face downside risks from (1) slower economic recovery than the forecast of 3.2% per year which may, apart from other factors, be due to the prolonged impact of drought which may affect debtors' ability to repay; (2) the potential for an increase in political risk which might have an impact on consumer confidence; and (3) an increase in financial cost, specifically towards the end of the year when the policy rate is projected to increase by 25 bps.

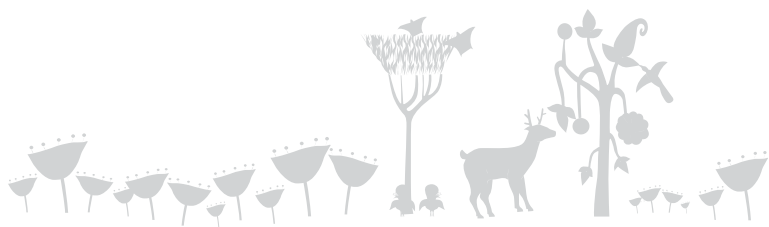
3. Real Estate Business

In 2015, the national housing market was still stagnant due to negative factors including (1) a sluggish economic recovery; (2) low levels of public confidence, as evidenced by a drop in consumer sentiment with confidence in purchasing a new house dropping from 70.2 points in 2014 to 66.1 points in 2015, while the Housing Developers Sentiment Index remained flat at 52.35 points in 2015 from 52.40 points in 2014; (3) rising household debt, which limited buyers' ability to purchase houses and pay off home loans; and (4) excess supply in several areas, especially in the provinces where the drought impacted consumer incomes.

Due to the negative factors mentioned above, the banks have continued to tighten their lending terms to the residential real estate sector. This was the case especially for small real estate developers since they take higher risks than large ones. Moreover, since developers with a cautious view have slowly launched new projects, the unit sales in the Bangkok metropolitan area dropped significantly. This was evidenced in a real estate project survey conducted by the Agency for Real Estate Affairs (AREA) which reported a 5.3% annual drop in sales to 107,990 units in 2015. (Note that in terms of the value of the projects of Baht 435,056 million, it increased 26.3% per year because developers targeted mainly upper-class projects, since consumers in this class are not as affected by the slowdown in the economy). The real estate market upcountry showed a similar trend with the number of building construction licenses decreasing to 8.7% in 2015 compared to the same period of the previous year, marking two consecutive years of decline.

On the demand side, demand for residential real estate increased compared to the previous year due in part to the government's stimulus package which aimed to boost real estate sales in the last quarter. Another factor contributing to rising demand was the acceleration of transfer of housing ownership by real estate buyers before the new round of land assessments which will lead to an increase in land prices in 2016. Housing ownership transfer transactions in the Bangkok metropolitan area in 2015 grew 12.7% per year compared to a decrease of 4.4% for the previous year. Also, the number of mortgage loans in the first nine months of 2015 dropped 3% compared to the last two to three years where the number increased more than 10% (nevertheless, it is possible that the loans provided in the last quarter of 2015 were raised due to the government's real estate stimulus program).

In the case of real estate developer loans (including land) of commercial banks and finance companies including credit foncier companies, at the end of 3Q 2015 this amounted to Baht 299.525 billion, growing by 1.2% per year compared to 2014 when it grew by 2.2%. This



slowdown was for all types of real estate development except credit for condominium projects which grew by 24% compared to 2014, in which it grew by 9.2%. This partly resulted from the expansion of condominiums situated close to the BTS network and major connecting routes. However the NPLs of developers at the end of 3Q 2015 amounted to 4.3% of total outstanding loans, growing from 4.1% at the end of 2014, while the quality of real estate development credit of commercial banks decreased.

Outlook of Real Estate Business

The real estate housing segment in 2016 is likely to recover gradually from sluggish conditions in 2015. In the first half of 2016, the government's real estate stimulus program should positively impact the market, especially for houses priced under Baht 3 million and mostly located on the outskirts of Bangkok. In the latter half of 2016, supportive factors of the recovering trend are (1) an expected recovery in the economy and (2) the bidding process and construction of infrastructure investments which are expected to be initiated within 2016. This should include the Orange line extension of the skytrain system in the Bangkok metropolitan area from the Thailand Cultural Centre to Min Buri, the Pink line from the Nonthaburi Government Center to Min Buri, the Purple line (Tao Pun - Rat Burana or Kanchanaphisek Outer Ring Road) and the Yellow line (Lad Phrao - Sam Rong).

The aforementioned indicates that the real estate market in areas near the BTS routes will continue to grow, especially for condominiums and townhomes. On the other hand, upcountry projects may not greatly benefit from the government's infrastructure projects, since some involve improvements of existing routes rather than new investment, such as the double-track rail line and the Thai-Japan rail project from Kanchanaburi to Sa Kaeo. For the new motorway project, it benefits the real estate sector only at the entrances and exits of the motorway. Therefore, upcountry projects rely mostly on local buyers, and its growth may not be significant compared to the past two to three years. Moreover, since upcountry consumers are familiar with housing that is constructed in a conventional horizontal format, detached housing and townhouse projects

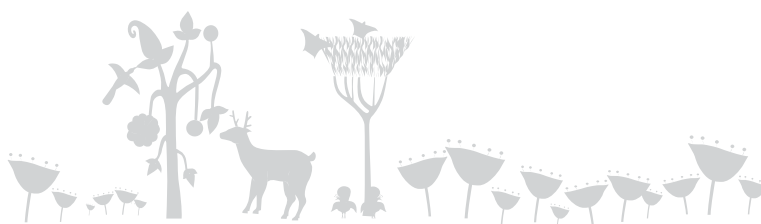
tend to do better than condominiums, which are still adjusting to excess supply conditions in several areas.

The recovery of the real estate market will be a main factor in the expected expansion of real estate developer loans of 5.5% per year in 2016, compared to slow growth of possibly 2.9% per year in 2015. However, credit growth has slowly expanded compared to 7.2% growth per year during the 2010-2014 period. The Bank expects that outstanding credit will be around Baht 310,000 - 315,000 million at the end of 2016.

Although the real estate market should recover, risks that can disrupt growth are (1) the 2016 economy may expand slower than expected at the rate of 3.2% per year; (2) the delay of government infrastructure projects; (3) the political situation which may be at risk, especially after the finalization of a draft constitution which may be done in April; (4) an increase in financial costs, especially at the end of the year when the policy interest rate might be raised; and (5) the 2016 - 2019 assessment of land price which may lead to an increase in land value and property prices, even if the construction cost is still low.

4. Capital Market Business and Securities and Derivatives Brokerage Business

The year 2015 was a difficult year for global investment due to collapsing commodity prices, China's economic slowdown, and concerns regarding US Federal Reserve rate hikes. The SET Index was down 14% on the year with foreign investors net selling over Baht 154 billion, marking a third consecutive year of net selling. Despite vibrant growth in Thai tourism and improving public spending, the local economy remained weak as exports failed to recover while private consumption was pressured by high household debt and weak agricultural prices. Therefore, earnings downgrades were seen across the board, led by the banking sector over concerns of rising NPLs and uninspiring loan growth. Selling pressure was exacerbated by an emerging market selloff, falling crude prices, and the record prices paid for 4G auction licences in the telecom sector. Banking, energy, and telecom were among the worst-performing sectors, as clearly seen in the performance



of the large-cap SET50 Index. Market volatility increased significantly from 2Q 2015 onwards with futures front contracts for most of the year trading at a deep discount to cash.

As for the local brokerage industry, the operating environment remained tough as commissions continued to trend down while competition remained high with the introduction of discount/execution-only services. A recent trend has emerged with clients actively managing effective commission rates and shifting from traditional high-touch order executions to lower-cost Direct Market Access (DMA) and Program Trading order types.

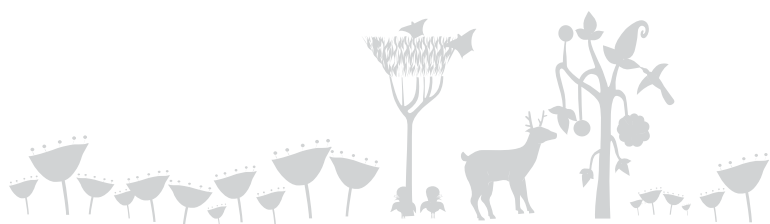
Despite a challenging environment, PTSEC managed

to maintain its client base and market shares with institutional brokerage revenue up slightly year-on-year, despite a falling market. PTSEC's share of foreign brokerage increased from 8.76% in 2014 to 9.90% in 2015, attributable to an increase in activities from non-traditional execution channels, while the market share of local institutional brokerage increased from 9.04% in 2014 to 10.93% in 2015.

In terms of the outlook for 2016, structural change in brokerage commissions will continue to pressure the top line. Effective commission rates will decline with growth in DMA, Program Trading, and High Frequency orders diluting traditional high-touch executions.

The table below illustrates the SET and mai market conditions, trading value and market share of PTSEC and KKTRADE.

	2014	2015
Average Daily Securities Trading Value of the SET and mai (Baht Million)	45,466.49	44,302.34
Trading Value of the SET and mai by investor type		
Foreign Investors (%)	20.25	22.20
Local Institutions (%)	8.76	9.39
Local Individuals (%)	62.31	59.21
Proprietary Trading (%)	8.68	9.20
Average Daily Securities Trading Value of PTSEC (Baht Million)	4,868.65	5,224.19
Market Share of PTSEC (Excluding Proprietary Trading) (%)	4.04	4.69
Market Share- Foreign Investors (%)	8.76	9.90
Market Share- Local Institutions (%)	9.04	10.93
Market Share- High Net Worth Clients (%)	1.87	1.81
Ranking	8	5
Average Daily Trading Value of KKTRADE (Baht Million)	824.10	647.99
Market Share of KKTRADE (Including Proprietary Trading) (%)	0.99	0.81
Ranking	29	32



For TFEX, high volatility in a falling market helped improve volume on SET50 Index futures, up from an average of 79,861 contracts per day in 2014 to 110,142 contracts per day in 2015, an increase of 38% YoY. Foreign participation remained relatively flat YoY at 19.9% while retail investors became more active and represented 55.6% of the total SET50 index futures turnover versus 52.4% in 2014. With a declining market, the use of SET50 index futures as a hedge and speculative trading pushed front contracts into a deep discount to cash throughout 2H15. Subsequently, rolling costs for short positions increased drastically with SET50 calendar roll trading as much as 240bps below its fair value in the last two expiries. Foreign investors as at the end of 2015 net shorted 54,975 contracts of SET50 index futures. Single Stock Futures remained active on TFEX, but with small contract size and given more than 70% of volumes traded off-market, liquidity remained an issue. Gold futures volumes remained flat YoY. PTSEC's derivatives business grew from a larger client base and an increase in volume from low-risk arbitrage strategies, although the market share decreased to 7.03% from 9.93% in 2014.

TFEX Market Summary	2014	2015
Number of contracts	36,021,150	48,538,899
Trading volume of PTSEC (no. of contracts)	7,151,074	6,820,922
Trading value of PTSEC (Baht million)	664,116.22	760,613.35
Market share of PTSEC (%)	9.93	7.03

Source: SET

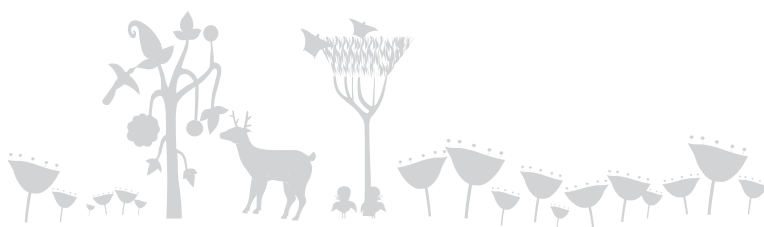
5. Investment Banking Business

Despite the challenging environment, PTSEC remains at the forefront of the Thai capital market. Our superior origination strength and structuring expertise with exceptional distribution capability has enabled us to launch a series of successful landmark offerings. In 2015, PTSEC was appointed as a financial advisor and lead underwriter of Star Petroleum Refining PCL in its IPO of Baht 12,958 million. The transaction was the largest Thai IPO in 2015.

During the year, PTSEC was chosen to be the financial advisor of Jardine Cycle and Carriage Limited in its acquisition of ordinary shares of Siam City Cement PCL from Holcim Limited of Baht 20,045 million. The transaction was a part of Jardine Cycle and Carriage Limited's plan to expand its footprint in ASEAN. PTSEC also assisted PTT PCL in its stake divestment in Bangchak Petroleum PCL of Baht 13,491 million. The transaction was made to address public concerns over monopolization in the refinery business.

Moreover, PTSEC has been actively involved in debenture offerings. The offering of CPALL PCL's senior unsecured debentures offering no.1/2558 of Baht 20,000 million also won the Best Bond Deal of the Year in Southeast Asia Award from Alpha Southeast Asia.

Other securities firms continue to focus on investment banking business with the aim to increase fee revenue as well as to support their securities brokerage business. As of January 6, 2016, there were seventy-two companies which have been granted licences to operate financial advisory services and currently are operating, while there were forty-one securities firms which are granted licences to operate as an underwriter. Success in the industry will be determined by the experience and expertise of the banking team, initiatives to introduce new financial instruments to meet clients' increasing needs, and strong client relationships.



6. Asset Management Business

In 2015, there were twenty-one asset management companies under the supervision of the SEC. Industry AUM stood at Baht 4.06 trillion, registering a growth of 6.67% relative to Baht 3.81 trillion in the previous year. (Source: AIMC as of January 8, 2016.)

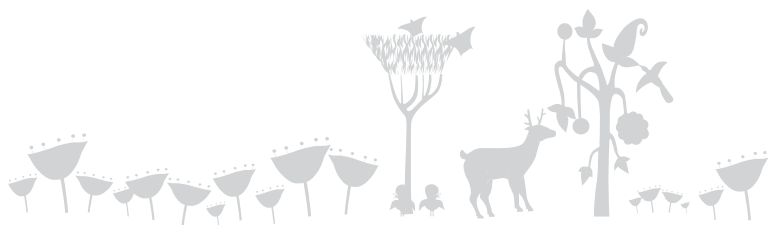
Fixed-income funds represented the largest share of the industry's AUM, ending the year 2015 at Baht 2.2 trillion or 55% of the total AUM. Equity Funds stood at Baht 979 billion, or 24.11% of the total AUM. Continued growth was seen from the Retirement Mutual Fund and Long-term Equity Fund category, ending the year at Baht 178 billion and Baht 277 billion respectively.

Private funds also demonstrated a persistent growth trend with intensifying competition. As of the end of December 2015, there were 3,223 funds in the market with combined AUM of Baht 591 billion, representing a growth of 23% relative to 2014.

PASSET's AUM as of the end of 2015 was Baht 45.259 billion, reflecting an increase of Baht 9.532 billion, or 26.68% relative to the previous year. The firm managed 278 funds, which can be classified into three groups: mutual funds (23 funds, 47% of AUM), private funds (252 funds, 22% of AUM and property funds (three funds, 31% of AUM).

In 2015, PASSET launched fifteen new funds in total (not including private funds), twelve of which were fixed-income/term funds and three were mutual funds, namely Phatra Absolute Return Fund, Phatra Active Fixed-income Fund and Phatra Global New Perspective Fund, all of which received a warm welcome from valued clients.

PASSET is determined to fully exploit the capabilities of the team in delivering consistent superior performance, adhering to ethics and professional standards while continuing to improve the level of services and convenience for clients.



Risk Factors

The following risk factors do not reflect risk factors of normal business operations. Furthermore, there may be risks the Bank is not aware of or risks the Bank currently considers insignificant which may later become significant in the future. These risks may significantly affect the Group's business revenue, profit, asset, liquidity or source of funds.

1. Changes in domestic and international economies directly affect the Bank and its subsidiaries

The Bank's and its subsidiaries' businesses rely on the domestic economy which is affected by the global economy. In 2015, the domestic and global economies were mending. The political situation was resolving and the government was constantly making policies and measures to revive the economy, and therefore the overall business was moving in a better direction. However, in 2016 Thailand's economy and the global economy still face risks from several factors such as risks arising from the growth in developing economies slowing down, especially in China which is an important trading partner of Thailand. Additionally, there are risks from volatile fund movements resulting from liquidity injection measures by prominent central banks. While the United States is likely to raise interest rates in the future, this could lead to volatile returns of various financial assets across the world's markets including Thailand's (e.g. SET Index and bond yields). Meanwhile, the Thai economy is still at risk from the severe drought which is expected to affect the first half of 2016, combining with the low agricultural prices and high level of household debt. These factors have an effect on the income of the population and the economic growth of Thailand.

The aforementioned volatility in the economy could hinder growth which will affect the Bank and its subsidiaries. The Bank's clients include retail clients, clients in the agricultural sector and freelancers. Their incomes are dependent on economic factors. Hence, a worsening economy may affect the Bank's operation and potential growth, as a result of a deterioration in clients' payment ability, credit

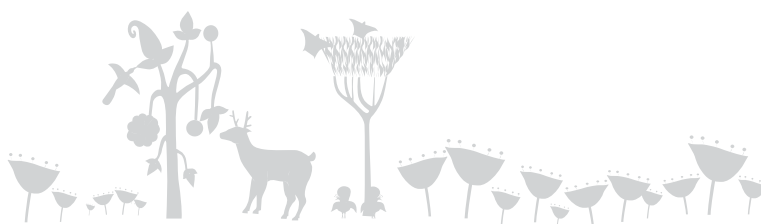
quality and the Bank's profitability. After the merger between the Bank and PHATRA, brokerage and investment banking fees have become a significant source of income of the Group. Such fees are susceptible to the economy and transaction volume from Bank of America Merrill Lynch. A recession or political instability would affect trading volume in the SET, securities trading volume through the companies in the Group, volume of fund-raising and initial public offerings. These factors will affect brokerage fees and investment banking fees which are comprised of fees from financial advisory and underwriting.

In order to manage such risks, the Bank and its subsidiaries have diversified and expanded the business range with the incorporation of risk management within acceptable levels. In 2016, the Bank will launch the new "SME Product Program" loan for which the Credit Guarantee Corporation (TCG) will be the strategic partner and guarantor, reducing the risk of bad debts. In addition, the Bank has developed the Alternative Distribution Channel Group for promoting banking products and services to private and state enterprise permanent employees and civil servants which are the primary target for this loan program. To manage risk within acceptable levels effectively, the Bank has incorporated risk management into business operations, e.g. continual assessment of the current situation, stress-testing and stress mitigation planning.

However, volatility in the domestic and global economies as well as political and government policies are out of the Group's control. The Group cannot guarantee that if such events occur, they will not have a significant effect on the Group.

2. The Group may not be able to achieve the stated goals, possibly affecting the Group's competitiveness and performance.

To achieve the Group's strategy, the Group needs to improve or change significantly which will take considerable investment and time. Examples of these changes are:



adjustment to branches in terms of their format and location which may result in opening/ closing/relocation of branches; the development in terms of new products, new retail client bases and providing wealth management services which require skilled human resource capital; and the openness of related government regulations. Such changes will allow the Group to offer financial products and services that are competitive with other countries. The Group estimates that investment and cost of these changes will be considerably high, but necessary for the Bank and the Group in order to better reach the target clients. The Group is not able to guarantee timely success of such strategies. If the strategy succeeds, the Group would also be unable to guarantee that its competitiveness will be comparable to or surpass competitors.

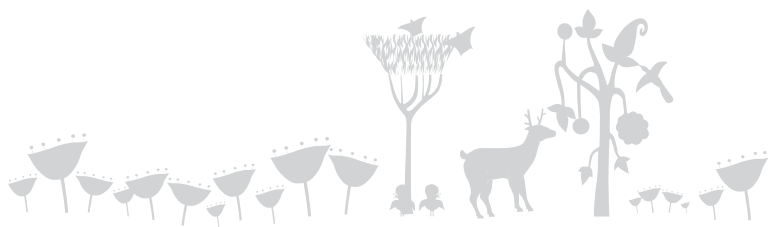
Additionally, the success of the implementation of the Group's strategy and business plan is highly associated with the success in development of information technology. Product and service expansion, coverage and diversity of sales channels are dependent on information technology being improved to or surpass the level of competitors. The Group is not able to guarantee that it can improve its information systems to meet the desired target, or the improvement may be completed more slowly than competitors, causing loss in competitiveness. Although the Group may be able to complete its strategies and business plans, they may not be relevant to real market conditions at that particular time. Therefore, the offered products and services may not sell as well as targeted, lowering profit from goal. The Group may not have sufficient experience in new products or services and thus may not be able to compete as efficiently or as effectively as predicted.

3. Uncertainty factors may affect the auto hire purchase business of the Bank.

Auto hire purchase is the Bank's main type of loan. In the past, auto hire purchase business has been structurally changed by several factors, including increasing household

debt and turbulence and declines in international and domestic economies. These factors have had an effect on payment ability and credit quality. The First-car Policy and Eco-car project negatively impacted car prices by accelerating the decline in used car prices. Additionally, increased competition has induced price competition. Also, the increased popularity of smaller-sized cars has reduced ticket size while long-term costs have risen, rendering a reduced profit per loan contract. Furthermore, the volatility in the auto hire purchase market will affect revenue and performance for other businesses related to the Bank's auto hire purchase business such as personal loans, SME loans and bancassurance.

In order to prepare for events that may affect the auto hire purchase business, the Bank has been monitoring factors which will directly and indirectly impact the Bank. These factors include laws, regulations, domestic car sales as well as competitors' business. The Bank also closely monitors the market and car prices to make timely response to changes. In addition, the Bank has adjusted its business strategies to serve new car loans such as establishing a 'Captive Finance Program' with Suzuki such that the Bank could be the official loan partner which gives priority in screening new Suzuki car clients. The Bank's marketing plan for being the official loan partner can be more diverse to target other popular brands by partnering with high-volume selling dealers, called preferred partners or dealers, so the Bank is able to manage cost and human capital more effectively. This program is also activated for used cars that are less than ten years old and assigns Loan-To-Value (LTV) by risk of categories or by year. In 2016, the Bank will penetrate the sales-and-lease-back market by its CarQuickCash campaign using statistical tools for identifying potential clients from the Bank's existing clients who have a good credit history. The Bank can maximize the return with this campaign because interest rates are higher than those of new car loans.



Moreover, the Bank has employed a strict credit approval process, uses statistical tools such as A-Score, B-Score and NCB Score, has improved certain procedures to increase operational efficiency and reduced non-essential costs.

Nevertheless, the Bank cannot guarantee that these measures will handle changes in the auto hire purchase business. Although the Bank has taken precautions to prepare for changes in the business, it cannot guarantee to be fully prepared for future changes in conditions.

4. The Bank may be unable to maintain sufficient capital for future expansion and competition.

The Bank's capital is determined by its Risk-Weighted Assets (RWA) and regulatory capital. These are dependent upon several factors including changes in the Bank's businesses and risks as well as changes to capital requirement regulations. Furthermore, in case the Bank reports operating losses, the loss will lessen regulatory capital which will impact capital. Any reduction in capital may lead to a need to raise funds for business expansion. Such fund-raising may be restricted or at a high cost. If the Bank is unable to raise sufficient funds, it may not be able to grow its business as planned. Consequently, performance will be impacted or the Bank's size will be reduced, if the restriction on capital is not resolved.

To reduce the risk of having inadequate capital, the Bank employs a policy to maintain capital to cover future risks and growth. In 2015, the Bank sold subordinated debentures valued at Baht 3,000 million which remains eligible as Tier 2 capital under the Basel III capital framework followed by the Bank of Thailand. The purpose of maintaining capital and the minimum capital level are determined under the Bank's risk appetite which is approved by the Board of Directors of the Bank. The purpose of maintaining capital and the minimum capital levels are established to reflect the following objectives:

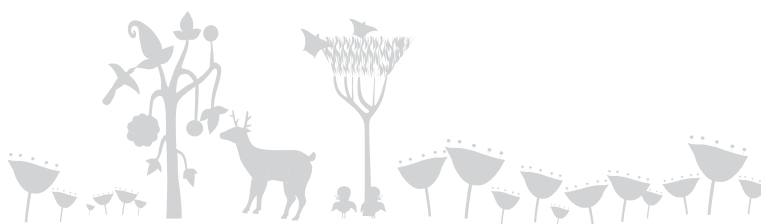
- Capital is maintained above the level required by the Bank of Thailand at 8.50% of RWA to cover risks not included in the capital adequacy framework.
- Capital is maintained in accordance with risk appetite and risk tolerance as determined by the Board of Directors.
- Capital is assessed under stressed conditions. Plans are devised for maintaining capital according to the framework in stressed conditions.
- Capital is maintained to cover significant risks according to official regulations the Bank faces.
- Capital is maintained in a manner which considers its impact on shareholders.

To improve the capital assessment procedures, the Bank has undertaken the following:

- Developed quantitative risk assessment systems for credit risk, market risk, operational risk, credit concentration risk and interest rate risk in the banking book under normal and stressed conditions.
- Developed a capital adequacy framework which is linked to the aforementioned significant risks for each of the Bank's businesses.
- Developed a performance evaluation system for business units while taking into account the cost of maintaining capital and the ability to report shareholders' return on investment of each business unit.
- Developed risk assessment and capital adequacy using economic capital methods.

For 2016, the Group will focus on managing capital more efficiently by having an appropriate fund structure which can be comparable with others in business. Therefore, the Group has planned to continuously offer subordinated debentures to maintain high liquidity for the business.

Additionally, the appropriateness of minimum capital the Bank has to maintain, additional capital needed according to its annual business plan, risk appetite and risk tolerance will be considered for capital adequacy assessment. In the event that estimated capital is less than the level of



minimum capital determined by the Bank's risk tolerance or as required by the Bank of Thailand, the Bank will devise a capital plan on a case-by-case basis.

5. Changes to laws and regulations may affect the business, operation and profitability of the Group.

The businesses of the Bank and its subsidiaries are under strict and constantly changing laws and regulations which are heavily controlled by the government and various governing bodies. The main governing bodies are the Bank of Thailand and governing bodies of other businesses. These are the SEC for securities-related businesses and the Office of Insurance Commission (OIC) for bancassurance business. Additionally, the Bank and its subsidiaries are governed by other organizations, for instance, the Office of the Consumer Protection Board and the Anti-Money Laundering Office. The law and regulations of the aforementioned bodies are strict and are constantly evolving to be stricter to provide more protection to clients.

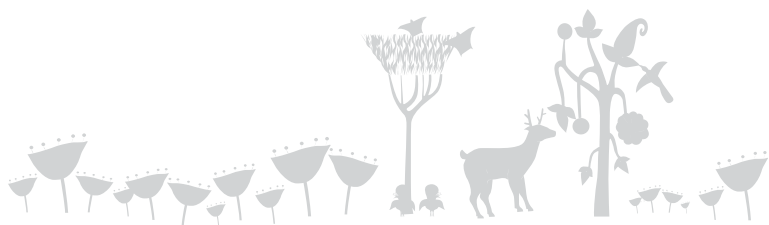
In addition to being controlled by stringent laws and regulations, the Group's businesses are subject to various laws that have been significantly updated in the last few years. Such laws include the Act on Amendment of Code of Civil Procedure which has greatly impacted the banking business causing commercial banks to alter its credit approval procedures to comply with the amendment, the Act on Debt Collection and the Act on Business Security. Other new laws include the Draft of Act on Amendment of Electronic Transaction and Draft of Act on Data Protection. These laws, if in effect, would impact the Bank's operation to an extent which could be of significance.

The changes to the laws and regulations both from main governing bodies and other governing bodies as well as changes in other general operation-related laws will affect goals, business viability and competitiveness. These changes may also cause the Bank to be liable from not fully complying with the laws and regulations which could negatively impact operations, financial status and performance of the Bank and its subsidiaries.

6. Internal and external fraud has an increasing trend. The Bank's operations may not be sufficiently cautious resulting in operating losses which will affect the Bank's competitiveness and performance.

The Bank's operations and offering of products and services are diverse and very complicated, involving many units across the country. They are also subject to many laws, rules and regulations. The Bank's operation may not be adequately strict, which may result in fraud. Additionally, incautious operation could cause damage to the business. For example, products and services may be misrepresented affecting reputation, possibly invoking lawsuits, slowing down operations, causing loss in competitiveness, revenue or costs to rise and eventually affecting the Bank's performance.

To reduce operational risks and fraud, the Bank has established an Operational Risk Sub-Committee to manage and monitor risk issues and control operational loss within acceptable levels. The Bank has also established a Fraud Unit to control and investigate irregular situations or situations suspected of being fraudulent. The Fraud Unit's objective is to manage situations to prevent losses. Additionally, the Bank employs measures to reduce operational risks for new products and services. All related parties must assess their risk, devise a mitigation plan and implement readiness-checking before issuing new products or changing operational processes. The Second Line of Defense units such as legal, compliance and risk departments together analyze and define issues. The New Product & Process Review Sub-committee (NPPRC) has been established for approving new products and process changes. The committee will identify and point out flaws and give advice, including risks, to the product or service owner, in order to perfect such product or service.



However, the expansion to new products and services may have risks the Bank is not able to identify or fully manage. Therefore, the Bank is not able to guarantee that the measures the Bank has taken will prevent all operational losses including fraud or that the measures will be implemented efficiently.

7. The Bank is unable to obtain and maintain sufficient liquidity to operate and grow.

The Bank's business depends on its ability to raise funds in deposits or other sources. The Bank must maintain sufficient liquidity for both normal and stressed scenarios. The ability to maintain liquidity depends on several factors such as competition, interest rate trend, reputation and credit rating of the Bank, location and number of branches, product diversity and service quality. These factors affect the Bank's ability to raise funds. For example, if the Bank's credit rating is reduced, its cost of funds will be raised.

Besides competition and internal factors, regulations also affect the Bank's liquidity assets. Under stricter regulations from the Bank of Thailand and Basel III after the global economic crisis, the Bank has to maintain higher liquidity to cover liquidity risk and changes to the deposit protection law. The law was amended to limit deposit protection to an amount not exceeding Baht 25 million starting in August 2015, with a subsequent reduction to an amount not exceeding Baht 1 million in August 2016. The Bank will face liquidity risks in case depositors want to withdraw their deposit portion which exceeds the protection limit from the Bank to other financial institutions or to invest in other mediums.

To manage liquidity, the Bank has enacted the Money Desk Sub-committee to analyze and monitor cash inflow and outflow. The sub-committee also sets up measures closely monitoring liquidity status under normal and stressed conditions according to the risk appetite of the Bank for assets and liabilities mismatch and level of liquid assets under different scenarios. The Money Desk Sub-committee will regularly convene at least once every two weeks under

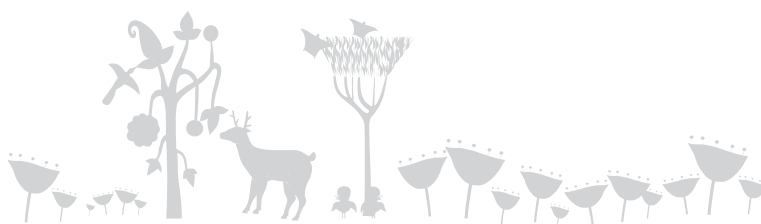
the supervision of the Asset and Liability Management Committee (ALCO). The Treasury Department plays a key role in the implementation of the Bank's liquidity management to maintain an appropriate level of liquidity, with the Risk Management Group monitoring and controlling the position on liquidity risk and regularly reporting to the Risk Management Committee and the Board of Directors.

As the Bank's ability to raise funds is dependent on various factors, the Bank is not able to guarantee such management will prevent all adverse liquidity effects in event of a significant change in the market.

8. The Bank may be affected by interest rate risk in the banking book arising from interest rate volatilities and duration gap between assets and liabilities duration.

Shortening liabilities duration for the Bank is a major risk factor, of which the Bank is aware. The Bank consistently monitors to limit duration risk within risk appetite levels under normal and stressed scenarios. The Bank has appointed the Asset and Liabilities Management Committees to oversee such risk by adjusting maturity and re-pricing gap in the liabilities side to match that of the assets. The Risk Management Group is responsible for monitoring and controlling interest rate risk in the banking book and reporting to the Risk Management Committee and the Board of Directors.

Nevertheless, if interest rate volatilities exceed predictions or adverse changes in rates occur which is out of the Bank's control, the risk will unavoidably have a direct effect on net interest income and economic value of equity of the Bank.



9. Market risk rises from the Group's increased investment in the trading book and available-for-sale assets, resulting from having more diverse transactions. The risk may affect the Group's operation if the economy and financial markets are highly volatile.

The Group has increased its transactions in financial products for the trading and available-for-sale portfolios. These products include interest rate swap, cross currency swap, FX spot and FX derivatives. The variety of financial products is to better serve the Group's clients. Additionally, the Capital Market Group invests in common equity in the SET, futures contract in the TFEX and equity derivatives, all of which also give rise to market risk.

Risk factors significant to transactions in the Bank's trading book include Thai interest rates, foreign interest rates, foreign exchange rates, risk premiums for corporate bonds and liquidity as well as the volatility of these factors. The Bank is well aware of the increased market risk arising from the aforementioned transactions in the present volatile market conditions. The risks arise from internal factors and external factors which are out of the Bank's control. These factors could affect volatility in risk factors of the trading book and adversely affect the trading book. Consequently, the Bank has limited risk for trading book transactions within acceptable levels and in accordance with the Bank's risk policy. The Bank has developed a market risk management procedure that is thorough and systematic. The procedure starts from the identification to controlling and monitoring of risks related to each type of transaction in the trading book. Such procedure is able to cover relevant and significant risks.

The Bank's Market Risk Management Department is the main unit to manage market risk in the trading book. The department is responsible for tracking trading transactions and controlling trading book risks on a daily basis. For the control of these risks, internationally accepted tools such as the Value at Risk (VaR) and Present Value of an 01 (PV01) are used to cover changes in the market. The Market Risk Management Department will report to relevant units in case

of a breach in trading book limits or any irregularity.

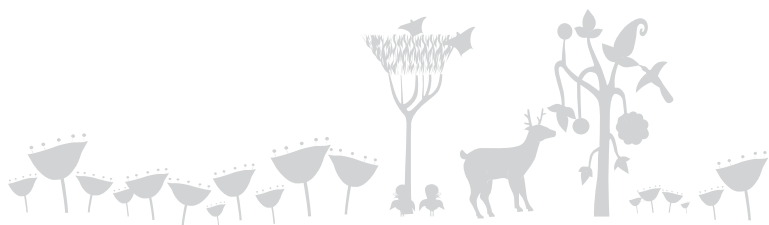
For risk management of the Capital Market Business, it mainly invests in common equity in the SET, futures contract in the TFEX and equity derivatives. The key risk factors are equity prices, liquidity and volatility of equity. The Capital Market Business' short-term investment strategy gives rise to minimal risks, as they are hedged. However, long-term investment by the Direct Investment Department of PHATRA is not hedged and directional, hence high market risk exists. In the event that the price of securities invested drops, the Group's performance and profitability will be affected.

The Group is aware of the risks arising from these investment strategies. Therefore, the Group has limited investment risk under an acceptable level. The risk management unit of the Capital Market Business is responsible for setting risk limits such as maximum loss at a determined confidence level and maximum position held which is determined by daily volume.

Nevertheless, volatility of securities price rises from factors out of the Group's control. Despite the Group having a standard risk management procedure, the Group is unable to guarantee that significant losses will not occur if risk factors become more volatile than predicted. The losses could have an adverse effect on the Group's performance and economic value.

10. The Bank has risks arising from deteriorating credit quality and credit concentration. In the event that credit quality worsens beyond expectation, the Bank's performance will be affected.

The Bank main debtors are mostly small businesses and retail clients. Generally, these debtors are more affected by volatility in the economy or industry in which they operate than are large-sized corporations. Therefore, the Bank is subject to high risk during a volatile economy. The Bank also has concentration in real estate lending. This concentration gives rise to high credit risk in the event that some of the Bank's large clients experience credit difficulties. To manage credit concentration, the Bank has set limits for



credit concentration to mitigate possible losses to the Bank. The limits include the single lending limit and the large borrower concentration limit.

For retail lending, which is sensitive to various aspects, the Bank prevents the risk from credit losses and reduces the impact from non-performing loans by targeting new potential clients through developing statistical tools such as Application Score (A-Score). It has also altered its credit policy to be more cautious, such as developing guidelines for screening the quality of clients within the framework of the product program or risk program that has been approved by the Risk Management Committee or authorized committee, offering cross-sale loans to existing good credit clients by using credit analysis from behavior scoring, managing retail clients through retail portfolio management, and assessing risk by product categories and segmentation. Additionally, the Bank develops and implements an information system for supporting loan portfolio performance tracking, the credit risk management dashboard and early warning indicators to management. These facilitate the Bank to manage credit risk more efficiently and in a timely manner.

Although the Bank employs procedures to manage credit risk and credit concentration, the Bank cannot guarantee that no loss will occur from deteriorating credit quality and credit concentration. In the event that credit quality deteriorates beyond expectation, the Bank will have to set aside more provisions. The Bank could also be required to increase its provision to comply with changes to regulations. An increase in provision will considerably impact the Bank's ability to pay out dividend.

11. Risks arising from severe drought, agricultural productivity and agricultural product prices may affect the Bank's performance

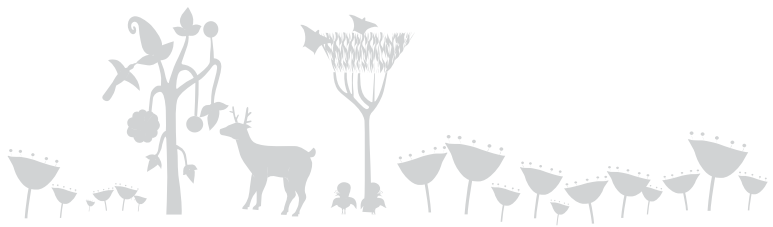
Some of the Bank's retail clients are in the agricultural sector. The risk from drought affecting agricultural productivity and product prices can have a negative impact on

farmers' income. Moreover, agricultural products such as rice and rubber are experiencing low prices. Therefore, the decline in agricultural product prices together with drought can have an adverse impact on agricultural sector clients. Although the Bank has not yet seen the severity of the drought clearly, this could cause loans to not grow as planned. This may also cause non-performing loans to rise for the Bank's current clients which will substantially impact its ability to generate revenue and retain reserves. To manage credit risk, the Bank has amended its credit policy of auto hire purchase loans for new clients from the agricultural sector to be more cautious. For example, every auto hire purchase loan case for new prospects working in the agriculture sector within potential drought areas is required to undergo a field survey prior to approval. Additionally, the Bank has prepared a loan refinance program to reduce client risk for a certain period of time.

Nevertheless, the Bank is unable to guarantee that in case of a severe situation the Bank can prepare for all impacts.

12. Increased competition, especially from large banks, may adversely affect the Bank.

Competition in the banking business is high and growing higher from new payment service providers and existing competitors. Existing competitors are growing by expanding to businesses not typical of large banks. They are especially moving towards the Universal Banking Model. The Bank, which is a small bank, may be unable to respond to the competition with products and services that cater to clients' needs, or may be unable to develop a diverse and complete sales channel. Consequently, the Bank could lose market share in its main businesses such as auto hire purchase lending and real estate lending. Alternatively, the Bank could lose competitiveness which will substantially impact its ability to generate revenue and long-run performance.



13. The Bank may be affected by reputation risk.

Reputation is currently of significance to businesses, especially the financial services industry where competition is high. The maintenance and building of a good reputation will lead to an increase in client base and better client retention ability. These could have positive effects on performance and financial status. Conversely, reputation loss could negatively affect the Bank in the long run. Therefore, the Bank makes the best effort to maintain its good reputation and prepare measures to prevent and reverse situations which could affect the Group's reputation. These measures include setting guidelines for business ethics and social-conscious business for a sustainable business operation, and staff training for operation that is efficient and satisfactory to clients and partners. However, the Group is not able to guarantee that the full implementation of these measures will be able to prevent and reverse situations affecting the Group's reputation.

14. In case the Group is unable to satisfactorily manage key personnel, negative impacts may arise.

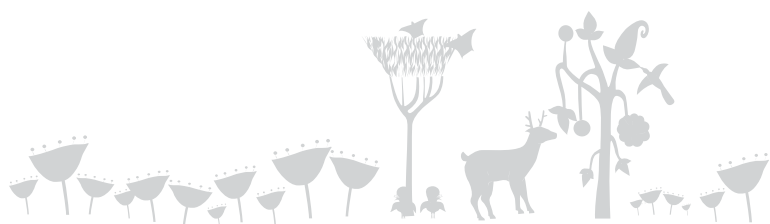
The Group's businesses depend on experience, knowledge, and expertise of personnel including credit analysts, marketing personnel, relationship managers, compliance personnel and senior executives. For the Group to retain its quality personnel, the Board of Directors has established employee treatment guidelines in writing. Such guidelines emphasize an appropriate system of employee benefits, training to encourage development of personnel, equal and fair treatment of all employees, development of a pleasant organization, and prioritization of hygiene and work-place safety, healthcare, annual health checks and accident insurance for employees.

Regardless of the success of the above measures, the Group may not be able to retain key employees. It also cannot guarantee to sufficiently recruit talent to the Group. This could affect business continuity, financial statement and performance of the Group.

15. Profit from special asset management may reduce or run out.

The Group operates special asset management through the Bank and mutual funds which are subsidiaries of the Bank. The Bank started its special asset management business in 1999 auctioning financial claims of financial institutions from the Financial Sector Restructuring Authority. During 2003-2006, the Bank auctioned debt under lawsuit from the Legal Execution Department. In 2010, the Bank bought investment units in the Gamma Capital Mutual Fund and Bangkok Capital Mutual Fund, which had similar operations to the Bank's other mutual funds. In 2015, the Bank profited from its special asset management in the amount of Baht 1,039.69 million, amounting to 30.32% of the Group's comprehensive income.

The Group has been operating its special asset management business for an extended period of time. Finally, the invested funds were closed and liquidated. As of the closing date on August 31, 2015, the assets under management of such funds amounted to approximately Baht 9,000 million. Some profits have been returned to the unit-holders. The remaining financial claims are in the process of liquidation. Due to the depleting assets under management and low opportunity under the current economy for auctioning new assets, the Bank cannot guarantee to continually receive revenue from special asset management. Therefore, Bank has continuously implemented new business expansion plans for generating new revenue schemes.



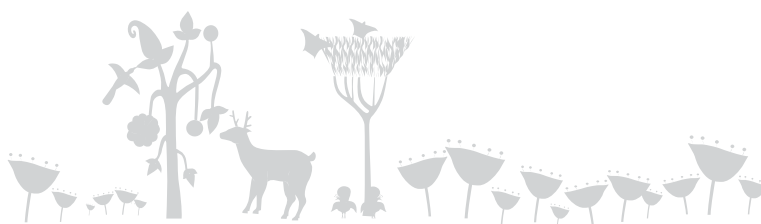
General Information

Name of Company	Kiatnakin Bank Public Company Limited
Stock Ticker	"KKP"
Type of Business	Commercial banking business, capital market business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related regulations
Number of Shares	846,751,109 ordinary shares and none of preferred share, with par value of Baht 10 per share (As of December 31, 2015)
Authorized Share Capital	Baht 8,523,372,680
Issued and Fully Paid-up Share Capital	Baht 8,467,511,090 (As of December 31, 2015)
Address	500 Amarin Tower, 12 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok, Thailand 10330
Company Registration Number	0107536000986
Telephone	0-2165-5555
Fax	0-2256-9933
Website	www.kiatnakinphatra.com

Names, Offices, Telephone and Fax Numbers of Referenced Entities

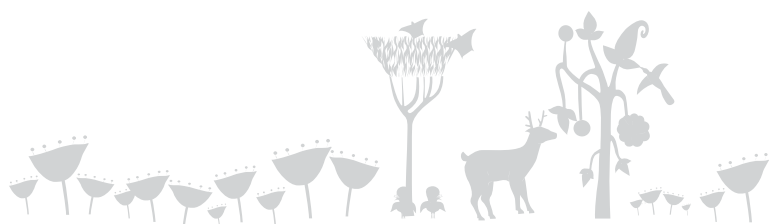
<i>Registrar</i> - Ordinary Share	: Thailand Securities Depository Company Limited 93, Stock Exchange of Thailand Building, Rachadapisek Road, Din Daeng, Bangkok 10400, Thailand Tel: 0-2009-9000 Fax: 0-2009-9991
<i>Authorized Auditor</i>	: Mrs. Unakorn Phruithithada Certified Public Accountant (Thailand) Registration No.3257 PricewaterhouseCoopers ABAS Ltd. ("PwC") 15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn, Bangkok 10120, Thailand Tel: 0-2344-1000 Fax: 0-2286-5050
<i>Legal Adviser</i>	: Erawan Legal Office Company Limited 12 th Floor, K Tower B, 209/1 Sukhumvit 21 Road, KlongToey-Nua, Wattana, Bangkok 10110, Thailand Tel: 0-2664-0424 Fax: 0-2664-0980

Adviser/Manager under Management Contract : Not Appointed



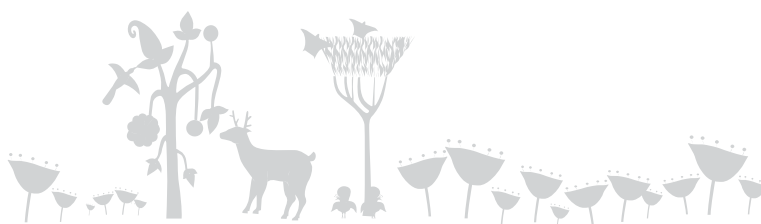
The Bank holds over 10% shares in the following juristic persons.

Juristic Person Name / Address	Type of Business	Number of Fully Paid-up Shares (Shares)	Percentage of Ownership (%)
1. Phatra Capital Public Company Limited 9 th Floor, 252/6 Muang Thai-Phatra Office Tower 1, Ratchadapisek Road, Huaykwang Sub-district, Huaykwang District, Bangkok 10310 Tel. 0-2305-9000 Fax 0-2693-2535	Holding Company	210,310,240.00	99.98
2. Phatra Securities Public Company Limited 6, 8-11/F Muang Thai-Phatra Office Tower 1 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel. 0-2275-0888, 0-2693-2000 Fax 0-2305-9535	Securities	213,500,000.00	99.95*
3. KKTRADE Securities Company Limited 7 th Floor, Amarin Tower, 500 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2680-2222 Fax 0-2680-2233	Securities	50,000,000.00	99.97*
4. Phatra Asset Management Company Limited 19/F Muang Thai-Phatra Complex Building Tower A 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel. 0-2305-9800 Fax 0-2305-9803	Asset Management	12,000,000.00	99.97*
5. Erawan Law Office Company Limited 12 th Floor, K Tower B, 209/1 Sukhumvit 21 Road, KlongToey-Nua, Wattana, Bangkok 10110 Tel. 0-2664-0424 Fax 0-2664-0980	Law Office	10,000.00	99.93
6. CMIC Development Company Limited 10 th Floor, K Tower, 209 Sukhumvit 21 Road, KlongToey-Nua, Wattana, Bangkok 10110 Tel. 0-2664-1396-7 Fax 0-2664-2163	Real Estate	230,000,000.00	80.58
7. BTMU Leasing (Thailand) Company Limited 4 th Floor, Harinthorn Tower, 54 Sathorn Nua Road, Silom, Bangrak, Bangkok 10500 Tel. 0-2266-3060 Fax 0-2266-3067	Leasing	600,000.00	10.00
8. Asia Recovery 1 Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	21,665,778.5942	99.95



Juristic Person Name / Address	Type of Business	Number of Fully Paid-up Shares (Shares)	Percentage of Ownership (%)
9. Asia Recovery 2 Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	78,683,161.1474	99.59
10. Asia Recovery 3 Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	77,595,895.6819	99.97
11. Thai Restructuring Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	68,263,486.3132	98.91
12. Asia Recovery Property Fund 3 One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	81,965,315.5500	98.77
13. Bangkok Capital Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	34,388,611.8195	95.72
14. Gamma Capital Fund One Asset Management Limited 24 th Floor, Siam Tower (Siam Discovery), 989 Rama 1 Road, Pathumwan, Bangkok 10330 Tel. 0-2659-8888 Fax 0-2659-8860-1	Investment	27,020,796.4744	94.03

* Indirectly holding via Phatra Capital Public Company Limited



Securities and Shareholders Information

Registered and Paid-up capital

1. The Bank's ordinary shares are listed on the SET under the stock ticker "KKP". As of December 31, 2015, the total paid-up share capital is 846,751,109 ordinary shares (of Baht 10 each).

- Total authorized share capital Baht 8,523,372,680
- Total issued and fully paid-up share capital Baht 8,467,511,090

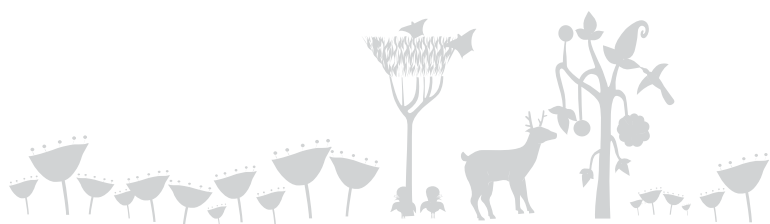
2. As of December 31, 2015, no preferred share was issued by the Bank.

Shareholders

1. Major Shareholders

The top ten major shareholders of the Bank based on the share register book closing date on September 11, 2015 to determine the list of shareholders entitled to receive dividend are as follows.

No.	Name of Shareholder	Type of Shareholder	Number of Shares (Shares)	Shareholding (%)
1	Credit Suisse AG, Hong Kong Branch ^{/1}	Foreign juristic person	71,618,397	8.46
2	Chase Nominees Limited	Foreign juristic person	62,052,865	7.33
3	Thai NVDR Co., Ltd.	Thai juristic person	50,024,099	5.91
4	Nortrust Nominees Limited-NTGS CL AC	Foreign juristic person	37,429,463	4.42
5	Ms.Thitinan Wattanavekin	Thai ordinary person	35,532,761	4.20
6	Ramkamhaeng Hospital Co., Ltd.	Thai juristic person	34,867,143	4.12
7	Eastern Sugar and Cane Co., Ltd. ^{/2}	Thai juristic person	34,750,804	4.10
8	Mrs.Vansamorn Wannamethee	Thai ordinary person	28,252,203	3.34
9	Chotthanawat Co., Ltd.	Thai Juristic person	20,693,600	2.44
10	Krungsri Dividend Stock LTF	Thai Juristic person	18,148,900	2.14
Total top ten major shareholders			393,370,235	46.46
Others			453,380,874	53.54
Total			846,751,109	100.00



Shareholder Classified by Nationality	Number of Shares (Shares)	Shareholding (%)
Thai Shareholders	581,138,287	68.63
Foreign Shareholders	265,612,822	31.37

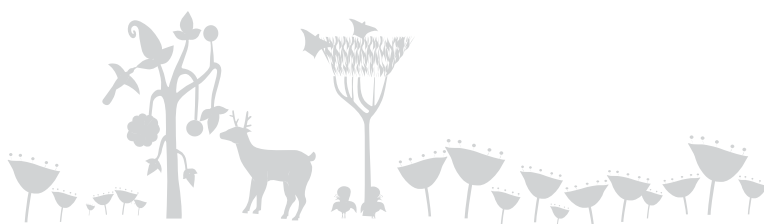
Remarks: ^{/1} The shareholding of Credit Suisse, Hong Kong Branch was for Ruamphon Phatra International Corp. (RPIC), which operates business as a holding company. At the end of 2015, RPIC's principal shareholders were as follows:

No.	Name of Shareholder	Number of Shares (Shares)	Shareholding (%)
1	Mr. Banyong Pongpanich	1,400	6.76
2	Mr. Aphinant Klewpatinond	1,400	6.76
3	Mr. Suvit Mapaisansin	1,000	4.83
4	Dr. Supavud Saicheua	1,000	4.83
5	Mrs. Patchanee Limapichat	1,000	4.83
6	Mr. Krittiya Veeraburus	1,000	4.83
7	Mr. Norachet Sangruji	800	3.86
8	Mrs. Patraporn Milindasuta	800	3.86
9	Mr. Trairak Tengtrirat	800	3.86
10	Mr. Therapong Vachirapong	600	2.90
11	Others	10,920	52.70
Total		20,720	100.00

^{/2} Eastern Sugar and Cane Co., Ltd. has Khunying Nattika Wattanavekin and Mr. Sukkarn Wattanavekin, holding 12.95% and 26.60% of the total company shares respectively, as primary shareholders. They held 0.29% and 1.85% of the ordinary shares of the Bank respectively.

2. Agreement between major shareholders affects the issuance and offering of securities as well as obligation to issue new shares in the future:

-No-



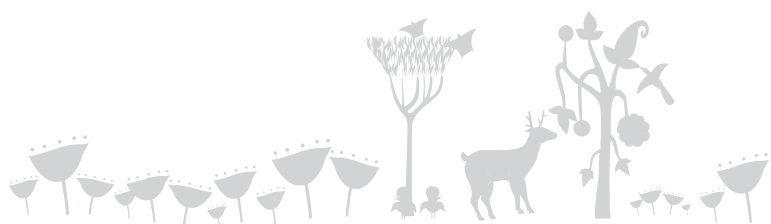
Other Types of Securities

1. Debentures

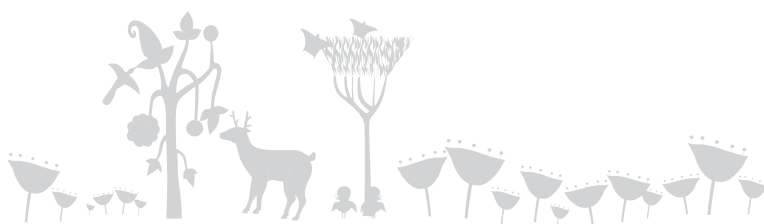
As of December 31, 2015, the totals outstanding of short-term and long-term debentures were Baht 59,168.00 million, of which details are as follows:

- Unsecured and unsubordinated short-term debentures (maximum of 270 days): Baht 36,448.00 million.

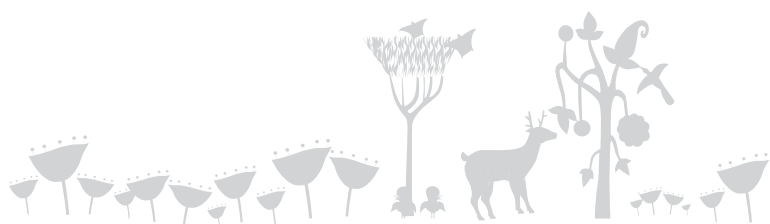
Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Month)	Coupon (p.a.) (% p.a.)
KK16107A	500.00	07/07/2015	07/01/2016	6	1.68
KK16401A	500.00	07/07/2015	01/04/2016	9	1.72
KK16120A	1,000.00	20/07/2015	20/01/2016	6	1.65
KK16122A	500.00	22/07/2015	22/01/2016	6	1.65
KK16125A	400.00	20/07/2015	25/01/2016	6	1.65
KK16407A	320.00	20/07/2015	07/04/2016	9	1.72
KK16126A	1,000.00	21/07/2015	26/01/2016	6	1.65
KK16422A	400.00	27/07/2015	22/04/2016	9	1.72
KK16121A	40.00	23/07/2015	21/01/2016	6	1.65
KK16115A	500.00	22/07/2015	15/01/2016	6	1.65
KK16115B	260.00	23/07/2015	15/01/2016	6	1.65
KK16421A	600.00	27/07/2015	21/04/2016	9	1.70
KK16115C	200.00	23/07/2015	15/01/2016	6	1.65
KK16201A	400.00	27/07/2015	01/02/2016	6	1.65
KK16418A	1,500.00	23/07/2015	18/04/2016	9	1.70
KK16419A	650.00	28/07/2015	19/04/2016	9	1.72
KK16421B	350.00	28/07/2015	21/04/2016	9	1.72
KK16203A	1,200.00	03/08/2015	03/02/2016	6	1.65
KK16429A	300.00	03/08/2015	29/04/2016	9	1.70
KK16428A	500.00	04/08/2015	28/04/2016	9	1.70
KK16202A	214.00	06/08/2015	02/02/2016	6	1.75
KK16421C	500.00	07/08/2015	21/04/2016	9	1.70
KK16506A	1,300.00	10/08/2015	06/05/2016	9	1.65



Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Month)	Coupon (p.a.) (% p.a.)
KK16210A	1,000.00	10/08/2015	10/02/2016	6	1.60
KK16211A	1,000.00	11/08/2015	11/02/2016	6	1.60
KK16216A	500.00	11/08/2015	16/02/2016	6	1.60
KK16503A	500.00	11/08/2015	03/05/2016	9	1.65
KK16217A	500.00	17/08/2015	17/02/2016	6	1.55
KK16218A	35.00	20/08/2015	18/02/2016	6	1.55
KK16224A	500.00	19/08/2015	24/02/2016	6	1.55
KK16225A	500.00	26/08/2015	25/02/2016	6	1.58
KK16303A	200.00	03/09/2015	03/03/2016	6	1.60
KK16310A	1,000.00	07/09/2015	10/03/2016	6	1.63
KK16310B	1,500.00	08/09/2558	10/03/2016	6	1.63
KK16324A	500.00	24/09/2015	24/03/2016	6	1.65
KK16324B	1,000.00	25/09/2015	24/03/2016	6	1.65
KK16106A	600.00	06/10/2015	06/01/2016	3	1.63
KK16113A	700.00	05/10/2015	13/01/2016	3	1.63
KK16105A	70.00	06/10/2015	05/01/2016	3	1.63
KK16106B	300.00	07/10/2015	06/01/2016	3	1.63
KK16112A	30.00	09/10/2015	12/01/2016	3	1.63
KK16112B	600.00	12/10/2015	12/01/2016	3	1.63
KK16114A	325.00	15/10/2015	14/01/2016	3	1.63
KK16419B	108.00	19/10/2015	19/04/2016	6	1.65
KK16421D	30.00	22/10/2015	21/04/2016	6	1.65
KK16422B	200.00	21/10/2015	22/04/2016	6	1.65
KK16426A	700.00	26/10/2015	26/04/2016	6	1.70
KK16427A	300.00	27/10/2015	27/04/2016	6	1.70
KK16728A	500.00	05/11/2015	28/07/2016	9	1.80
KK16726A	800.00	05/11/2015	26/07/2016	9	1.80
KK16728B	1,000.00	04/11/2015	28/07/2016	9	1.80

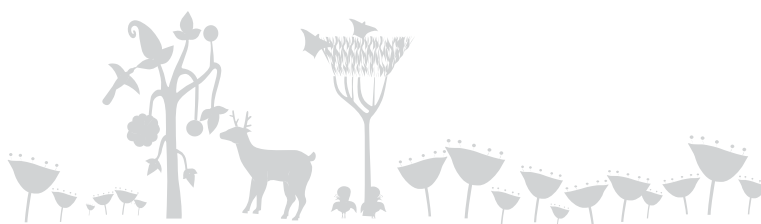


Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Month)	Coupon (p.a.) (% p.a.)
KK16510A	113.00	02/11/2015	10/05/2016	6	1.70
KK16721A	300.00	04/11/2015	21/07/2016	9	1.80
KK16204A	500.00	04/11/2015	04/02/2016	3	1.66
KK16504A	500.00	04/11/2015	04/05/2016	6	1.70
KK16808A	60.00	12/11/2015	08/08/2016	9	1.78
KK16802A	10.00	06/11/2015	02/08/2016	9	1.78
KK16211B	5.00	06/11/2015	11/02/2016	3	1.65
KK16512A	10.00	09/11/2015	12/05/2016	6	1.70
KK16804A	10.00	09/11/2015	04/08/2016	9	1.78
KK16805A	20.00	09/11/2015	05/08/2016	9	1.78
KK16301A	400.00	10/11/2015	01/03/2016	4	1.70
KK16302A	300.00	10/11/2015	02/03/2016	4	1.70
KK16303B	200.00	10/11/2015	03/03/2016	4	1.70
KK16524A	1,100.00	23/11/2015	24/05/2016	6	1.70
KK16304A	250.00	10/11/2015	04/03/2016	4	1.70
KK16216B	50.00	16/11/2015	16/02/2016	3	1.66
KK16512B	500.00	17/11/2015	12/05/2016	6	1.70
KK16809A	500.00	18/11/2015	09/08/2016	9	1.78
KK16519A	13.00	19/11/2015	19/05/2016	6	1.70
KK16523A	145.00	20/11/2015	23/05/2016	6	1.70
KK16606A	160.00	26/11/2015	06/06/2016	6	1.70
KK16608A	500.00	08/12/2015	08/06/2016	6	1.80
KK16609A	500.00	09/12/2015	09/06/2016	6	1.80
KK16613A	1,000.00	11/12/2015	13/06/2016	6	1.80
KK16610A	1,000.00	11/12/2015	10/06/2016	6	1.80
KK16616A	30.00	16/12/2015	16/06/2016	6	1.80
KK16627A	140.00	18/12/2015	27/06/2016	6	1.80
Total	36,448.00				



- Outstanding long-term debentures as of December 31, 2015: Baht 22,720.00 million

Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Year)	Coupon Rate (% p.a.)
KK186A	650.00	01/06/2011	01/06/2018	7	4.62
KK187A	240.00	22/07/2011	22/07/2018	7	5.00
KK188A	500.00	23/08/2011	23/08/2018	7	4.80
KK18DA	625.00	02/12/2011	02/12/2018	7	5.10
KK16DA	975.00	07/12/2011	07/12/2016	5	5.10
KK18DB	10.00	07/12/2011	07/12/2018	7	5.05
KK165A	3,500.00	28/05/2013	28/05/2016	3	3.58
KK168A	1,500.00	15/08/2013	15/08/2016	3	3.86
KK174A	500.00	28/08/2013	05/04/2017	3.6	4.05
KK179A	330.00	12/09/2013	20/09/2017	4	4.45
KK172A	4,000.00	20/02/2014	20/02/2017	3	3.78
KK172B	1,000.00	27/02/2014	27/02/2017	3	3.78
KK164A	600.00	03/04/2014	03/04/2016	2	3.18
KK174B	900.00	03/04/2014	03/04/2017	3	3.60
KK175A	560.00	07/05/2014	16/05/2017	3	3.54
KK178A	60.00	21/08/2014	22/08/2017	3	3.33
KK183A	270.00	27/08/2014	19/03/2018	3.6	3.52
KK168B	1,000.00	31/10/2014	31/08/2016	1.8	3.05
KK169A	1,000.00	21/09/2015	21/09/2016	1	1.80
KK17NA	1,500.00	27/11/2015	27/11/2017	2	2.10
KK25DA	3,000.00	23/12/2015	23/12/2025	10	5.10
Total	22,720.00				



2. Warrants

In 2015, the Bank had only ESOP Warrant no.2 (ESOP-W2) remaining to be exercised. According to the approval from the 2010 Annual General Meeting of Shareholders on April 22, 2010 regarding the issuance of the warrants (ESOP-W2) to purchase new ordinary shares offered to directors and/or employees of the Bank and/or its subsidiaries, the amount of warrant issuance was not more than 26,000,000 units with an offering price of Baht 0 per unit, together with the issuance of 26,000,000 ordinary shares to be reserved for the exercise of ESOP-W2.

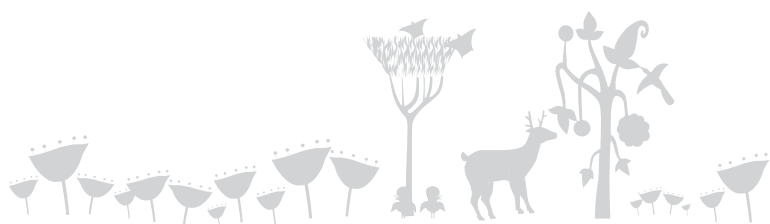
The exercise date was set on every 30th of March, June, September, and December; with the first exercise date on September 30, 2011 and the final exercise date on June 30, 2015. The swap ratio becomes 1 ESOP-W2: 1 KKP ordinary share with the exercise price at 29.27 Baht each.

On August 31, 2010, the Bank submitted the ESOP-W2 allotment report to the SET indicating that there was a cancellation of a total of 110,000 units of ESOP warrants resulting in a total 25,890,000 units of ESOP warrants allotted. Details of the exercise of ESOP-W2 in 2015 totaling two times are as follows:

Detail	Exercise of ESOP-W2	
	15 th Exercise	16 th Exercise
Exercise Date	March 30, 2015	June 30, 2015
Exercising Holder (Persons)	58	80
Exercised Warrant (Units)	1,033,000	2,304,450
Swapped Ordinary Share (Shares)	1,033,000	2,304,450
Remaining Warrant (Units)	7,751,950	5,447,500
Remaining Reserved Share (Shares)	7,751,950	5,447,500
Amount Receiving from the Exercise (Baht)	30,235,910.00	67,451,251.50

As a result of the ESOP-W2 exercises, the changes in the Bank's ordinary shares and paid-up capital are as follows:

Detail	Exercise of ESOP-W2	
	15 th Exercise	16 th Exercise
Previous Ordinary Share (Shares)	843,413,659	844,446,659
New Ordinary Shares (Shares)	844,446,659	846,751,109
Fully Paid-up Capital (Baht)	8,444,466,590	8,467,511,090



Dividend Policy

The Bank has a policy to pay dividend not exceeding 60% of net profits from the annual consolidated financial statement. Payout of dividend must be approved by the shareholders' meeting. An interim dividend can also be paid if the Bank's profit is sufficient to do so and such payment shall be reported in the next General Meeting of Shareholders.

In considering the dividend payment, the Bank shall take into account these aspects: the Bank's performance, long-term return to shareholders, the Bank's capital adequacy level to encompass any business plans and risks both in normal and crisis conditions, as well as pre-and post-impacts from such a given dividend payment.

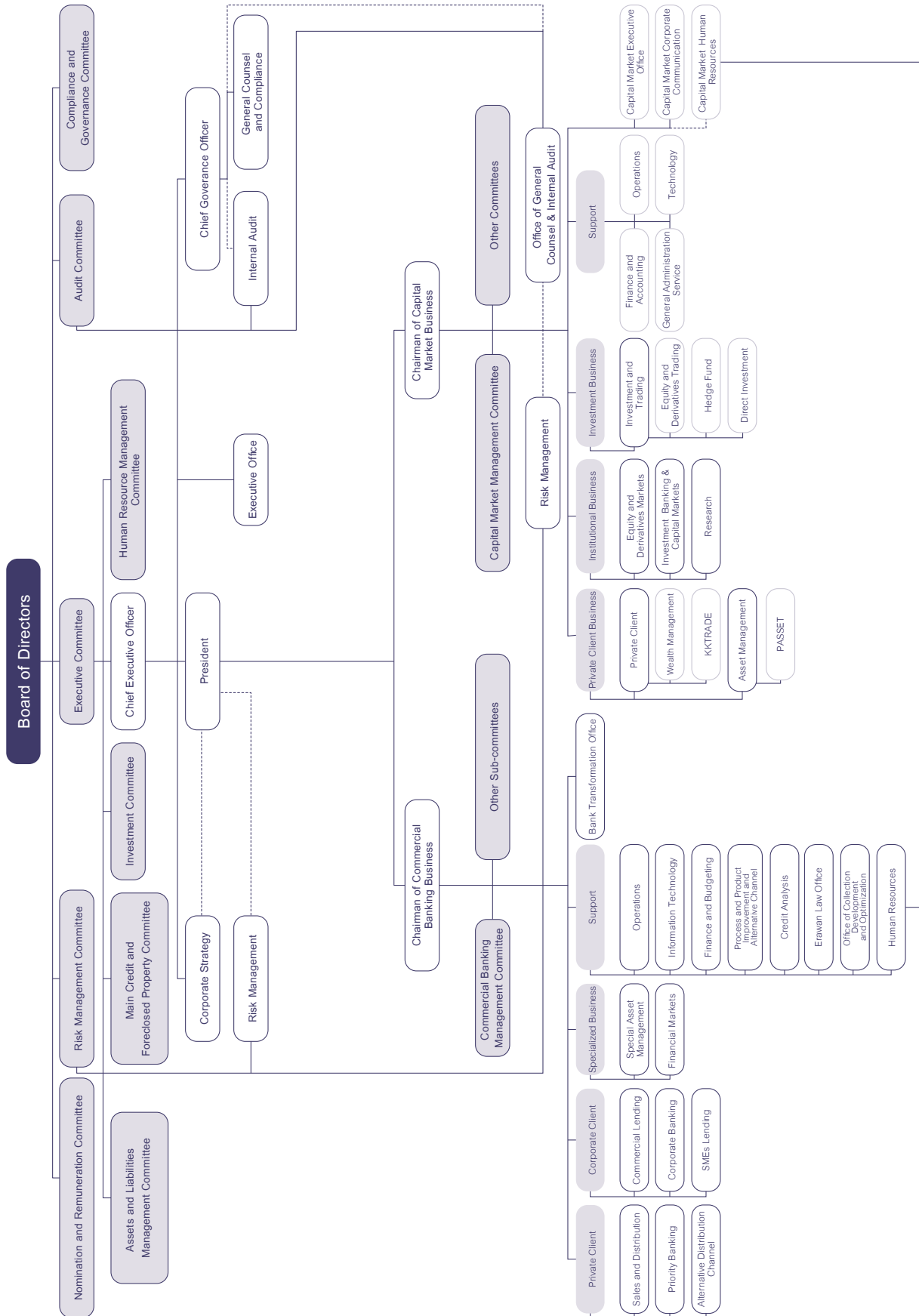
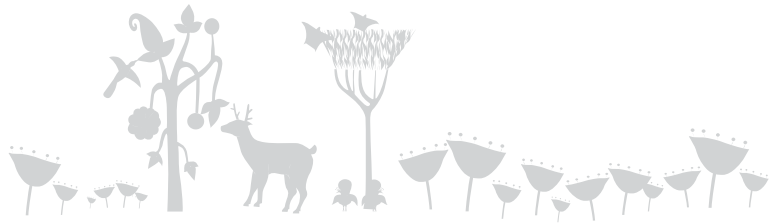
In addition, dividend payment will be made at a rate that would not lower the capital adequacy ratio below the minimum capital requirement as specified in the Bank's risk appetite statement.

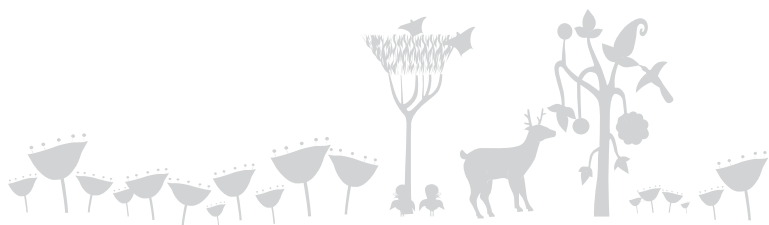
The Bank has not set the dividend payout ratio for its subsidiaries, however the dividend payment of the Bank's subsidiaries shall be approved by the shareholders' meeting of each company or the Board of Directors of each company in case of an interim dividend, and must also comply with the Company's Articles of Association and applicable laws. The dividend payment of subsidiaries depends importantly on each company's business performance and plans.

Dividend payments for the past five years were as follows:

	2010	2011	2012	2013	2014*
Earnings per share (Baht) (As from Consolidated Financial Statement)	5.20	4.52	4.88	5.29	3.25
Dividend per Share (Baht)	2.40	2.40	2.40	2.65	1.85
Dividend Payout Ratio (%)	46.15	53.10	49.18	50.09	56.92

* Restated





Management Structure

The management structure of the Bank consists of six committees, which are the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Compliance and Governance Committee, Risk Management Committee and Executive Committee. All details as of December 31, 2015 are as follows:

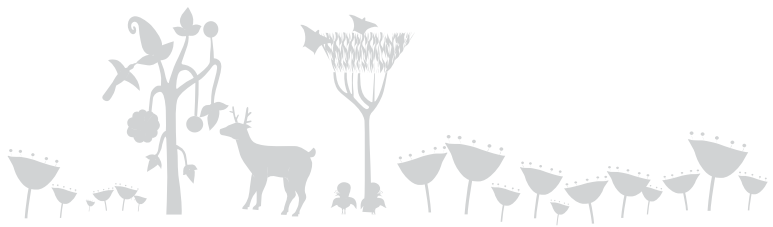
Board of Directors

As the representative of shareholders, the Board of Directors has roles, duties and responsibilities to conduct the business with integrity to achieve stability and good return. The Board of Directors should refrain from having any conflict of interest. The scope of authorities and duties of the Board of Directors are as follows:

1. Determine business direction and establish overall strategic goal of the Bank. The Board shall consider and approve the Bank's policies, proposed by the Executive Committee, including those policies that are required by laws and regulators. In order to protect the benefits of the Bank and its shareholders, the Board of Directors shall oversee and monitor the implementation of those policies through the Executive Committee and ensure that they are carried out efficiently and effectively.
2. Ensure that the Bank's Guidelines for Business Conduct and business ethics are in place. These principles are to be adopted as practice guidelines for management and employees in the organization.
3. Oversee and monitor the committees and ensure that necessary corporate governance systems are established in compliance with laws and regulations. The systems shall be appropriate to the Bank's activities. The Board of Directors shall monitor and evaluate the effectiveness of the corporate governance system and provide feedback to management to help improve the systems.
4. Ensure that the Bank, through the Risk Management Committee, establishes policies, procedures and controls relating to risk management. These policies, procedures and controls, at the minimum, shall

include the credit risk, market risk, investment risk, liquidity risk, operational risk, reputational risk, legal risk, and strategic risk. The Board of Directors shall approve the policies and regularly review and monitor the execution of these policies.

5. Ensure that the Bank has effective internal control and audit systems in place.
6. Oversee that the check and balance of power between the management and/or major shareholders is suitable. This should be done with the emphasis on creating a good proportion of independent directors among the Board members.
7. Appoint and specify roles and duties of committees as appropriate to support its oversight responsibility, such as the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Executive Committee.
8. Ensure that the management inform and update the Board of Directors on any important matters so that the Board of Directors has sufficient information to be able to perform its roles and carry out its duties and responsibilities efficiently.
9. Approve the Bank's annual financial reports, which are audited by the external auditor and reviewed by the Executive Committee and Audit Committee, prior to proposing to the shareholders' meeting for approval. In addition, the Board of Directors shall receive recommendations through the Management Letter provided by the external auditors and recommendations provided by the Executive Committee.
10. Appoint and establish a scope and authority of executive officers, starting from the First Vice President level and higher.
11. Ensure that the Bank has in place its policies on loans and investment with related parties.
12. Review and approve through committees the management's proposal relating to the authorization on lending, investments, commitments or any transactions with loan-like characteristics, as well as



purchasing and management expenditures. This is for the benefits of the Bank and in compliance with related laws and regulations.

13. Encourage directors to have at least 50% attendance of all the meetings held in a year.

Furthermore, the Board of Directors may seek further professional opinion from external consultants on the operation of the Bank with the expenses borne by the Bank.

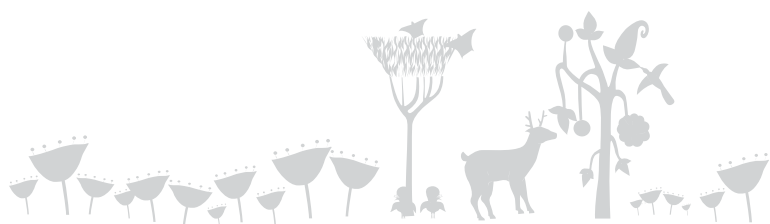
The Board of Directors holds a meeting at least once each quarter. The quorum of the Board of Directors' meetings consists of at least two-thirds of the members of the Board. The meeting resolution is passed by a majority vote of the directors attending the meeting. The Chairman of the Board does not have a casting vote.

Matters under the Authority of the Board of Directors of the Bank

The Board of Directors of the Bank has responsibility in administration of all activities of the Bank and is empowered to proceed under the provision of law, the Bank's Articles of Association and resolution of the shareholders' meeting. These matters, which are under the authority of the Bank's Board of Directors, consist of the following:

1. To determine business direction and overall strategic goal of the Bank.
2. To approve the Bank's business plan and annual budget proposed by the Executive Committee.
3. To review and approve the Bank's policies as required by laws or regulatory agencies including the main policies for operating businesses, for example, the overall risk management policy for the Bank and companies in the Group, the credit policy, etc.
4. To approve the Principles of Corporate Governance and Guidelines for Business Conduct for the Bank and companies in the Group proposed by the Compliance and Governance Committee.

5. To appoint, remove and delegate authority and duty to the committees under the supervision of the Bank's Board of Directors including the executive officers from the First Vice President level and higher.
6. To approve the remuneration and other benefits for the Chairman of the Group Business and higher.
7. To appoint and remove the Company Secretary.
8. To approve the payment and omission of the interim dividend for shareholders.
9. To propose an increase or reduction in capital or change of share value and the amendment or alteration of the Memorandum of Association, Articles of Association and/or objectives of the Bank to shareholders.
10. To approve or cancel loans, credit guarantees, credit limits in excess of the Executive Committee's authorized limit.
11. To approve the grant of loan or credit guarantees for companies having business relationships with the Bank as shareholders.
12. To approve the incorporation, merger or termination of subsidiary companies.
13. To approve the modification, demolition and writing off of fixed assets and intangible assets, which are decommissioned, out of order, lost, damaged, deteriorated or outdated and no longer usable, with book values exceeding the Executive Committee's authorized limit.
14. To sell or mortgage any immovable property of the Bank or any rental of immovable property of the Bank for the period exceeding three years.
15. To approve the acquisition or disposal of assets and connected transactions in accordance with Notifications of the Capital Markets Supervision Committee.



Board Members

The Bank's Board of Directors is comprised of fifteen members. These include five independent directors, three non-executive directors and seven executive directors, as follows:

1. Mr. Supol	Wattanavekin	Chairman/ Non-executive Director
2. Assoc. Prof. Manop	Bongsadadt	Independent Director
3. Mr. Chet	Pattrakornkul	Independent Director
4. Mr. Pravit	Varutbangkul	Independent Director
5. Mr. Pongtep	Polanun	Independent Director
6. Mrs. Dayana	Bunnag	Independent Director
7. Mr. Tarnin	Chirasoonton	Non-Executive Director
8. Mr. Suraphol	Kulsiri	Non-Executive Director
9. Mr. Banyong	Pongpanich	Executive Director
10. Mr. Suvit	Mapaisansin	Executive Director
11. Mr. Aphinant	Klewpatinond	Executive Director
12. Mr. Krittiya	Veeraburus	Executive Director
13. Ms. Thitinan	Wattanavekin	Executive Director
14. Mr. Pracha	Chumnarnkitkosol	Executive Director
15. Mrs. Patraporn	Milindasuta	Executive Director
Ms. Porntip	Chuprakhun	Corporate Secretary

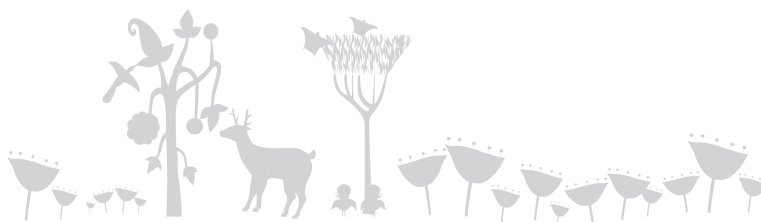
Authorized Directors

The authorized directors of the Bank, who can sign and bind the Bank, are any two of the following five directors, provided that they jointly sign with the Bank's seal affixed: Mr. Banyong Pongpanich, Mr. Suraphol Kulsiri, Mr. Suvit Mapaisansin, Ms. Thitinan Wattanavekin and Mr. Aphinant Klewpatinond.

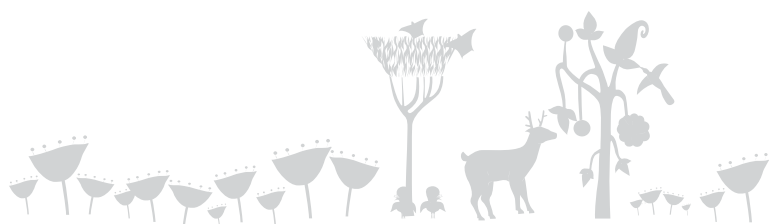
Audit Committee

The Audit Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Review the Bank's financial reporting to ensure its accuracy and adequacy and receive the information of improper transaction in financial statements or other issues from the Bank's employee.
2. Review and evaluate the Bank's internal control and internal audit systems to ensure that they are suitable and efficient, determine the internal audit unit's independence, as well as approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of an internal audit.



3. Consider, select and nominate an independent person to be the Bank's auditor, propose remuneration for the auditor, as well as attend a non-management meeting with the auditor at least once a year.
4. Consider and disclose the connected transactions or the transactions that may lead to conflict of interest to ensure that they are in compliance with the laws and the SET's regulations, and are reasonable and for the highest benefit of the Bank.
5. Prepare and disclose in the Bank's annual report, an Audit Committee's report, which must be signed by the Audit Committee's Chairman and consisted of at least the following information:
 - (a) an opinion on the accuracy, completeness and credibility of the Bank's financial report;
 - (b) an opinion on the adequacy of the Bank's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the SET's regulations or the laws relating to the Bank's businesses;
 - (d) an opinion on the suitability of the auditor;
 - (e) an opinion on the transactions that may lead to conflict of interest;
 - (f) the number of the Audit Committee's meetings and the attendance of such meetings by each committee member;
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.
6. Report to the Bank's Board of Directors in order that remedial action be taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct as follows:
 - (a) A transaction which causes a conflict of interest;
 - (b) Any fraud, irregularity, or material defect in an internal control system; or
 - (c) Any violation of the laws pertaining to financial institutions, the law on securities and exchange, the Stock of Exchange of Thailand's regulations, the Bank of Thailand's regulations or other laws and regulations related to banking business and securities and any other laws. If the Bank's Board of Directors or management fails to rectify the matter within the period specified by the Audit Committee, the Audit Committee shall disclose such transaction or act in the annual report and report to the Bank of Thailand, the SEC or the SET accordingly.
7. Investigate immediately when receiving information of suspected misconduct from the auditor and report the preliminary investigation result to the SEC and auditor within thirty days from the notification date.
8. Inspect or question any relevant personnel regarding any related issues of the Bank. The Audit Committee is authorized to hire or bring in specialists to assist with the auditing process, as deemed appropriate.
9. If necessary, the Audit Committee may invite the management or any relevant person(s) to join the meeting to give additional information related to the matter being audited.
10. Coordinate with the Risk Management Committee to ensure that management adheres to the Bank's risk management policy.
11. Perform any other act as assigned by the Bank's Board of Directors and accepted by the Audit Committee.
12. Perform any other act as the law prescribes on the authority of the Audit Committee.
13. Report the committee's performance to the Bank's Board of Directors at least every quarter.



The Audit Committee shall meet at least once every quarter. The quorum of the Audit committee's meetings consists of not less than half of the Audit Committee's members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Audit Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of text of such resolution and such resolution shall be in same force and effective as if it had been adopted at a duly convened meeting of the Audit Committee. The Chairman of the Audit Committee has a casting vote.

The Audit Committee consists of three members who are independent directors as follows:

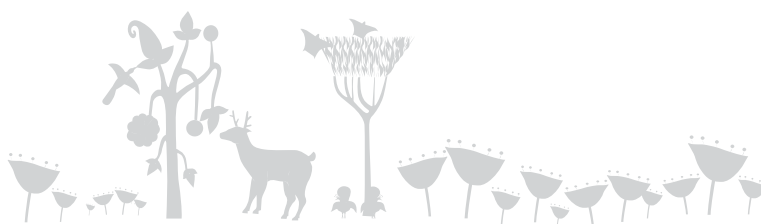
1. Mrs. Dayana	Bunnag	Chairwoman of the Audit Committee
2. Mr. Chet	Pattrakornkul	Member of the Audit Committee
3. Mr. Pravit	Varutbangkul	Member of the Audit Committee
Dr. Narong	Predanan	Secretary of the Audit Committee

Mrs. Dayana Bunnag, Chairwoman of the Audit Committee, has knowledge and experience to be able to review the credibility of the financial reports. Her profile is as described in the Profiles of the Directors, Executives and Controlling Persons section.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Establish policy, criteria and process in nominating directors and executives from the First Vice President level and higher in order to propose to the Bank's Board of Directors, as well as select and propose qualified persons to be the Board of Directors' members, members of sub-committees directly reporting to the Board of Directors and executives for the Board of Directors' consideration.
2. Consider the size and composition of the Board of Directors that is appropriate to the Bank and the changing circumstances. Generally, the Board of Directors shall consist of qualified individuals with knowledge, capabilities and experience from diverse areas.
3. Ensure that board members and executive officers receive remuneration and benefits that are commensurate to their duties and responsibilities.
4. Consider the remuneration and other benefits for the Board members, CEO, President and Chairman of the Group Business or equivalent prior to proposing to the Board of Directors. In addition, the committee shall establish the payment policy of the remuneration and other benefits for the executives from the First Vice President level and higher in order to be the guideline for consideration by the Human Resources Management Committee.
5. Establish guidelines for performance evaluation of the Board members, CEO, President and Chairman of Group Business or equivalent for proposing to the Board of Directors' consideration. The committee shall also establish guidelines for performance evaluation of the executives from the First Vice President level and higher for the Human Resources Management Committee. These guidelines will assist the Human Resources Management Committee in considering an annual remuneration by taking into account the roles and responsibilities, related risks,



and the increasing value of shareholders' proportion in the long term.

6. Disclose the remuneration policy and various forms of benefits, as well as prepare the committee's report in the Bank's annual report.

7. Ensure that the Bank has a succession plan for executives from the First Vice President level and higher in place.

8. Report the committee's performance to the Board of Directors at least once a year.

The Nomination and Remuneration Committee shall meet at least twice a year. The quorum of the Nomination and Remuneration Committee's meetings consists of not less than half of the Nomination and Remuneration Committee's members. The meeting resolution is passed by a majority vote of the committee's member attending the meeting. The Nomination and Remuneration Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of text of such resolution and such resolution shall be in same force and effective as if it has been adopted at a duly convened meeting of the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee has a casting vote.

The Nomination and Remuneration Committee consists of three members who are independent directors as follows:

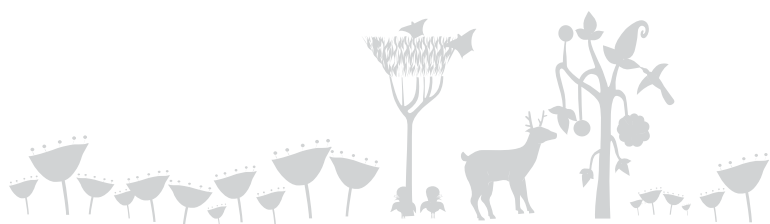
1. Assoc.Prof. Manop	Bongsadadt	Chairman of the Nomination and Remuneration Committee
2. Mr. Chet	Pattrakornkul	Member of the Nomination and Remuneration Committee
3. Mr. Pravitt	Varutbangkul	Member of the Nomination and Remuneration Committee
Mr. Wittapon	Jawjit	Secretary of the Nomination and Remuneration Committee

Compliance and Governance Committee

The Compliance and Governance Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Through the Compliance Department, oversee that the Bank and companies in the Group conduct businesses in compliance with laws, regulations, rules, standards, ethics, corporate governance principles and compliance policy.
2. Ensure that the Bank has an efficient and independent compliance system and corporate governance practice.
3. Approve the Annual Compliance Plan of the Compliance Department and monitor performance of the Compliance Department to ensure that it completes tasks and achieves targets according to the plan.

4. Provide an opinion on the Annual Compliance Report, which shall be reviewed and approved by the Board of Directors prior to its submission to a regulatory agency.
5. Develop Guidelines for Business Conduct to be used as a performance framework for the Board members, executives and employees of the Bank and companies in the Group and propose to the Board of Directors for consideration.
6. Regularly review the Bank's Corporate Governance Principles and its compliance with the international standards and suggestions of regulators and recommend the development of the Bank's Corporate Governance Principles to the Board of Directors for approval.



7. Approve the appointment, transfer and performance evaluation of the Head of Compliance Department.

8. Report the committee's performance to the Board of Directors at least twice a year.

The Compliance and Governance Committee shall meet at least once every quarter. The quorum of the Compliance and Governance Committee's meetings consists of not less than half of the Compliance and Governance Committee's members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Compliance and Governance Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of text of such resolution and such resolution shall be in same force and effective as if it had been adopted at a duly convened meeting of the Compliance and Governance Committee. The Chairman of the Compliance and Governance Committee has a casting vote.

The Compliance and Governance Committee consists of four members as follows:

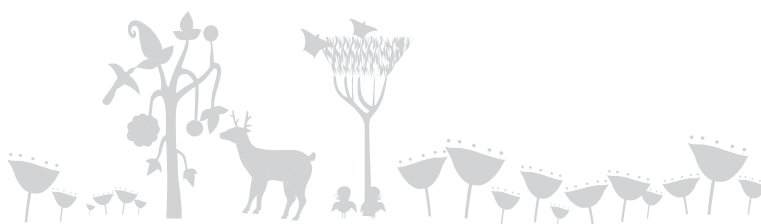
1. Mr. Chet	Pattrakornkul*	Chairman of the Compliance and Governance Committee
2. Mr. Pravit	Varutbangkul*	Member of the Compliance and Governance Committee
3. Mr. Tarnin	Chirasoonton	Member of the Compliance and Governance Committee
4. Mrs. Patraporn	Milindasuta	Member of the Compliance and Governance Committee
Mr. Aphichart	Chongsanguanpradab	Secretary of the Compliance and Governance Committee

Remark * Independent Director

Risk Management Committee

The Risk Management Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Set up overall policy on risk management for the Bank and companies in the Group and propose to the Board of Directors for consideration. This includes major policies on credit risk, market risk, liquidity risk, operational risk and any risk that could adversely affect the Bank and its subsidiaries' reputation.
2. Develop strategies that are consistent with the Bank's risk management policy. The strategies should enable the committee to assess, monitor and control risks to be at acceptable levels. Additionally, it is the responsibility of the committee to set up criteria on considering reserve for asset classification.
3. Review the adequacy of the risk management policies and systems as well as the effectiveness of such systems and implementation according to specified policies.
4. Regularly update the Board of Directors on its performance of duties. This will allow the Board of Directors and the committee to provide feedback that will help modify the operation to be consistent with the Bank's risk management policies and guidelines. Such information shall also be reported to the Audit Committee and the Compliance and Governance Committee for acknowledgement.
5. Consider and approve criteria relating to lending, commitments and any transactions with loan-like characteristics that are within the risk management framework set by a regulatory agency or the Bank.



It is the committee's responsibility to consider and establish credit policies in order to propose to the Board of Directors for approval.

6. Oversee the risk management of the Bank and companies in the Group and report to the Board of Directors.

7. Report the committee's performance to the Board of Directors at least once a year.

The Risk Management Committee shall meet at least once every quarter. The quorum of the Risk Management Committee's meetings consists of not less than half of the Risk Management Committee's members. The meeting resolution is passed by a majority vote of the committee's member attending the meeting. The Risk Management Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of text of such resolution and such resolution shall be in same force and effective as if it had been adopted at a duly convened meeting of the Risk Management Committee. The Chairman of the Risk Management Committee has a casting vote.

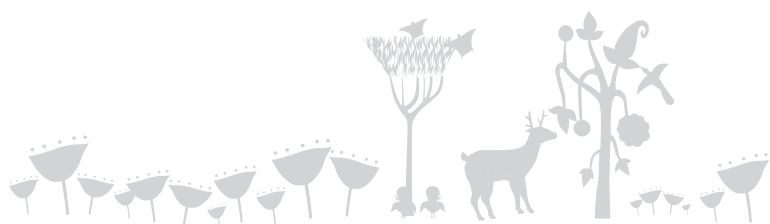
The Risk Management Committee consists of nine members as follows:

1. Mr. Supol	Wattanavekin	Chairman of the Risk Management Committee
2. Mr. Banyong	Pongpanich	Member of the Risk Management Committee
3. Mr. Anya	Khanthavit	Member of the Risk Management Committee
4. Mr. Aphinant	Klewpatinond	Member of the Risk Management Committee
5. Mr. Krittiya	Veeraburus	Member of the Risk Management Committee
6. Mr. Chavalit	Chindavanig	Member of the Risk Management Committee
7. Mrs. Patraporn	Milindasuta	Member of the Risk Management Committee
8. Mr. Pansalit	Trakarnkitvichit	Member of the Risk Management Committee
9. Mr. Norachet	Sangruji	Member of the Risk Management Committee
Dr. Popanit	Poommarapan	Secretary of the Risk Management Committee

Executive Committee

The Executive Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Set corporate direction and strategic goal for the Bank and companies in the Group and propose to the Board of Directors for consideration.
2. Consider the policy and operating plan of the Bank and companies in the Group, proposed by the CEO, to the Board of Directors for consideration and ensure that the CEO operates the business in accordance with the approved policy effectively and efficiently.



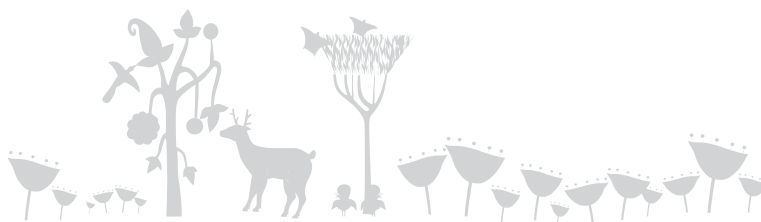
3. Consider and approve policies, guidelines and working rules of the Bank and companies in the Group.
4. Oversee the business operation of the Bank and companies in the Group in order to carry out the business in accordance with the laws and approved policies.
5. Establish the organization structure of the Bank and companies in the Group, as well as assign other operational matters of the Bank and companies in the Group to the CEO and sub-committees in order to propose to the Board of Directors for consideration.
6. Supervise the performance and establish the roles and responsibilities of the CEO, sub-committees, and executives, who are assigned by the Executive Committee to be responsible for the specific matter.
7. Consider and approve loans, restructuring loans and sales of main foreclosed property, set the asset price to be purchased from the auction, exercise the right to protest in accordance with the specified limit and approve the expenses and the lawsuit with the debtors.

The Executive Committee shall meet at least once a month. The quorum of the Executive Committee's meetings consists of not less than half of the Executive Committee's members. The meeting resolution is passed by a majority vote of the committee's member attending the meeting. In cases where unanimity is not reached, the committee member may propose such agenda to the Board of Directors for consideration. The Executive Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of text of such resolution and such resolution shall be in same force and effective as if it had been adopted at a duly convened meeting of the Executive Committee.

The Executive Committee consists of six members as follows:

1. Mr. Banyong	Pongpanich	Chairman of the Executive Committee
2. Mr. Suvit	Mapaisansin	Member of the Executive Committee
3. Mr. Aphinant	Klewpatinond	Member of the Executive Committee
4. Mr. Krittiya	Veeraburus	Member of the Executive Committee
5. Ms. Thitinan	Wattanavekin	Member of the Executive Committee
6. Mr. Pracha	Chumnarnkitkosol	Member of the Executive Committee
Mr. Chavalit	Chindavanig	Secretary of the Executive Committee
Mrs. Vararat	Satayarak	Assistant Secretary of the Executive Committee

Mr. Supol Wattanavekin is the Advisor of the Executive Committee.



In addition, the Bank has other committees and sub-committees which are established to assist the above-mentioned committees and President to effectively and efficiently operate the businesses of the Bank and companies in the Group.

Sub-committees under the supervision of the Risk Management Committee

- 1) Operational Risk Sub-committee
- 2) Credit Risk Management Sub-committee

Committees under the supervision of the Executive Committee

- 1) Assets and Liabilities Management Committee
- 2) Main Credit and Foreclosed Property Committee
- 3) Human Resource Management Committee
- 4) Investment Committee

Sub-committee under the supervision of the Assets and Liabilities Management Committee

- 1) Money Desk Sub-committee

Committees and sub-committees under the supervision of the Main Credit and Foreclosed Property Committee

- 1) Credit and Foreclosed Property Committee
- 2) Credit Sub-committee
- 3) Foreclosed Property Sub-committee
- 4) Asset Appraisal and Valuation Sub-committee

Sub-committees under the supervision of the Commercial Banking Management Committee

- 1) Deposit Coordinating Sub-committee
- 2) Sales and Distribution Sub-committee
- 3) Property and Equipment Management Sub-committee
- 4) Process Improvement and IT Sub-committee
- 5) Procurement Sub-committee

- 6) IT Procurement Sub-committee
- 7) New Product & Process Review Sub-committee
- 8) Business Development & Product Strategy Sub-committee
- 9) Crisis Management Sub-committee
- 10) Integrated Marketing Sub-committee

Committees under the supervision of the Board of Directors of PHATRA

- 1) Capital Market Human Resources Committee
- 2) Capital Market Risk Management Committee

Committees under the supervision of the Board of Directors of PTSEC

- 1) Audit Committee
- 2) Risk Management Committee
- 3) Underwriting Committee

Committees under the supervision of the Board of Directors of KKTRADE

- 1) Audit Committee
- 2) Risk Management Committee
- 3) Underwriting Committee
- 4) Disciplinary Committee

Committees under the supervision of the Board of Directors of PASSET

- 1) Audit Committee
- 2) Risk Management Committee
- 3) Investment Committee

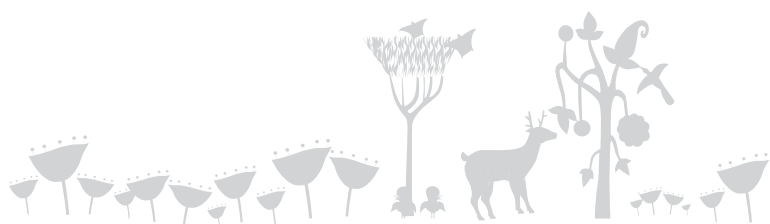


Table Shows Board of Directors' and Committees' Meeting Attendance in 2015

Name	Meeting Attendance in 2015					
	Board of Directors (Total 10 Meetings)	Audit Committee (Total 8 Meetings)	Nomination and Remuneration Committee (Total 7 Meetings)	Compliance and Governance Committee (Total 6 Meetings)	Risk Management Committee (Total 15 Meetings)	Executive Committee (Total 13 Meetings)
1. Mr. Supol Wattanavekin	10/10 ^{/1}	-	-	-	15/15 ¹	12/13 ^{/2}
2. Mr. Pichai Dachanapirom ^{/3}	2/3	3/3 ^{/1}	-	-	-	-
3. Assoc. Prof. Manop Bongsadadt	7/10	-	6/7 ^{/1}	-	-	-
4. Mr. Chet Pattrakornkul	10/10	8/8	7/7	6/6 ^{/1}	-	-
5. Mr. Pravith Varutbangkul	10/10	8/8	6/7	6/6	-	-
6. Mr. Pongtep Polanun	7/10	-	-	-	-	-
7. Mrs. Dayana Bunnag ^{/4}	6/7	5/5 ^{/1}	-	-	-	-
8. Mr. Tarnin Chirasoonton	9/10	-	-	5/6	-	-
9. Mr. Suraphol Kulsiri	9/10	-	-	-	-	-
10. Mr. Banyong Pongpanich	9/10	-	-	-	3/15	8/13 ¹
11. Mr. Suvit Mapaisansin	8/10	-	-	-	-	13/13
12. Mr. Aphinant Klewpatinond	10/10	-	-	-	15/15	12/13
13. Mr. Krittiya Veraburus	10/10	-	-	-	9/15	13/13
14. Ms. Thitinan Wattanavekin	10/10	-	-	-	-	12/13
15. Mr. Pracha Chumnarnkitkosol ^{/5}	10/10	-	-	-	3/5	10/13
16. Mrs. Patraporn Milindasuta	10/10	-	-	5/6	10/15	-

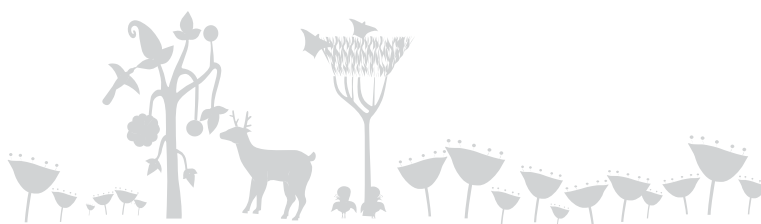
Remark: ^{/1} Chairperson

^{/2} Attended the meeting as an advisor

^{/3} Retired from the Bank's director post by rotation in the 2015 Annual General Meeting of Shareholders dated on April 23, 2015

^{/4} Appointed as the Bank's director in the 2015 Annual General Meeting of Shareholders dated on April 23, 2015

^{/5} Retired from the Risk Management Committee's member according to the resolution of the Board of Directors' meeting no.4/2015 effective from April 30, 2015



Management

As of December 31, 2015, the Bank had the following management.

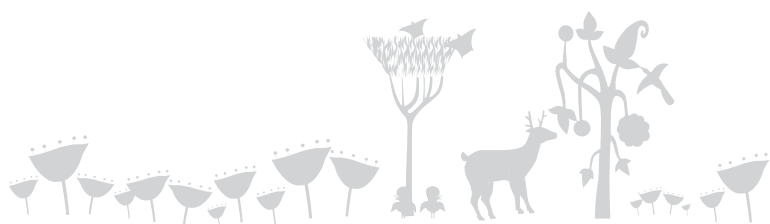
No.	Name-Surname		Position
1	Mr. Banyong	Pongpanich	Chief Executive Officer
2	Mr. Aphinant	Klewpatinond	President and Chairman of Commercial Banking Business
3	Mr. Krittiya	Veeraburus	First Vice President Chairman of Capital Market Business Head of Corporate Strategy Group
4	Ms. Thitinan	Wattanavekin	First Vice President
5	Mr. Pracha	Chumnarnkitkosol	First Vice President Head of Special Asset Management Group
6	Mr. Chavalit	Chindavanig	First Vice President Head of Finance and Budgeting Group
7	Mrs. Patraporn	Milindasuta	First Vice President Chief Governance Officer
8	Dr. Anuchit	Anuchitanukul	First Vice President Head of Process and Product Improvement and Alternative Channels Group
9	Mr. Sarawut	Charuchinda	First Vice President Head of Commercial Lending Group
10	Mr. Preecha	Techarungchaikul	First Vice President Head of Financial Markets Group
11	Dr. Popanit	Poommarapan	First Vice President Head of Risk Management Group
12	Mr. Manit	Wannavanit	First Vice President Head of Sales and Distribution Group
13	Mrs. Kulnan	Tsanthaiwo	First Vice President Head of Priority Banking Group
14	Mr. Worrakrit	Jaruwongpak	First Vice President Head of Operations Group
15	Mr. Wittapon	Jawjit	First Vice President Head of Human Resources Group
16	Mr. Pansalit	Trakarnkitvichit	First Vice President Head of Credit Analysis Group
17	Mr. Norachet	Sangruji	First Vice President Head of Corporate Banking Group
18	Mr. Chatchai	Dusadenoad	First Vice President Head of Information Technology Group
19	Mr. Pattarapong	Raktabutr	First Vice President Head of Alternative Distribution Channel Group
20	Ms. Nilawan	Treekitjamroon	Senior Vice President Head of Accounting Department, Finance and Budgeting Group

Remark: No.17 appointment effective from May 15, 2015

No.18 appointment effective from October 1, 2015

No.19 appointment effective from December 1, 2015

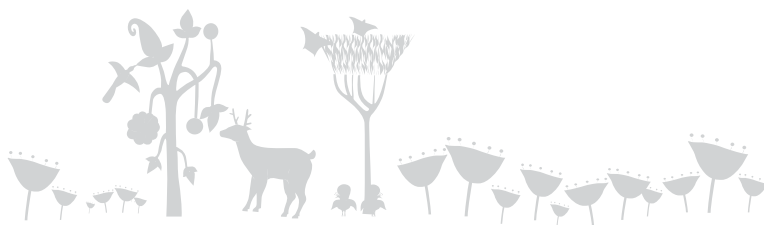
No.20 appointment effective from January 1, 2015



Corporate Secretary

The Board of Directors has appointed Ms. Porntip Chuprakhun to be the Corporate Secretary since January 13, 2010 to facilitate the work of the Board of Directors with respect to regulations, the Board of Directors' meetings and shareholders' meetings. The responsibilities and duties of the Corporate Secretary include the following:

1. Advise directors on basic laws and regulations that they need to know in order to administer the functions of the Board of Directors;
2. Organize and manage the meetings of shareholders, Board of Directors and committees in accordance with laws, the Bank's Articles of Association, good practices and charter of each committee. The Corporate Secretary is also responsible for ensuring and monitoring the compliance with resolution of the shareholders' and the Board of Directors' meetings as well as laws and relevant regulations;
3. Prepare and maintain key corporate documents and records: current registration of directors, notices and minutes of the shareholders' meetings, annual report and notices and minutes of the Board of Directors' meetings;
4. Ensure that directors and management prepare report of interest of themselves and related persons in accordance with the law, keep a record of such report and send a copy of such report to the Chairman of the Board and the Chairman of Audit Committee as stipulated by law;
5. Manage the disclosure of information in responsibility according to the regulations of the relevant agencies overseeing the Bank;
6. Process all matters concerning the share registration, i.e. the payment of dividend and increase of registered capital, etc; and
7. Perform any other act as prescribed by the Capital Market Commission.



Nomination and Appointment of Directors and Executives

Nomination of Director

The Nomination and Remuneration Committee is responsible for selecting and determining appropriate persons with experience, knowledge and competencies beneficial to the Bank to be nominated as the Bank's directors, independent directors or Audit Committee members and to propose nominations to the Board of Directors' meeting or shareholders' meeting in accordance with the Bank's Articles of Association.

For nominating new directors, the Bank prepares the board skill matrix to determine qualifications of new directors by considering competences, skills and experiences necessary for the Board of Directors and in line with the Group's business strategy. Also, the Bank uses director pool for selecting new directors.

The Nomination and Remuneration Committee shall take into consideration the suggestions of shareholders, who have right to nominate individuals qualified as candidates for a director or an independent director of the Bank, via the specified channels. The guidelines for shareholders to nominate a director in advance are posted on the Bank's website. Individuals, who are nominated as independent directors, shall have qualifications as required in the announcements of the SEC and SET and as specified in the Bank's independent director qualification.

The selection process starts with the qualified individuals proposed by shareholders, directors and executives, with all detailed biography attached. Then, the Nomination and Remuneration Committee considers the nominees' qualifications prior to proposing such persons initially to the Board of Directors and finally seeking shareholders' approval. The election of directors by shareholders' meeting shall be in accordance with the Bank's Articles of Association as follows:

1. A shareholder shall have one vote for one share.
2. Each shareholder shall use all his or her votes under no.1 to elect one or several persons as a director. However, he or she may not divide his or her votes among any candidates.

3. The persons who receive the most votes in ranking order will be elected as directors up to the number of directors the Bank shall have or elect at that meeting. In the event that the persons being elected in subsequent order have equal votes but their election would exceed the number of directors required to be elected in that meeting, the Chairman of the meeting shall have a casting vote.

Right of Shareholders to Nominate Directors

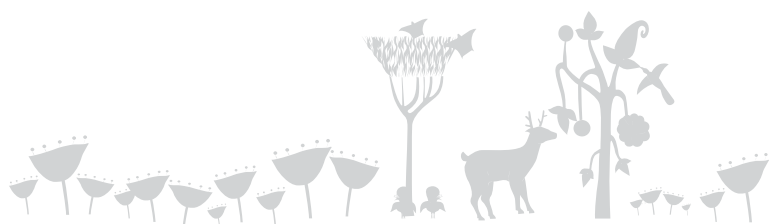
Allowing shareholders to nominate directors in advance is part of the Bank's Corporate Governance Principles. The Bank has defined and published the guidelines for shareholders to nominate directors on its website.

The shareholder, who would like to nominate a director, must possess the following qualifications:

1. Be the Bank's shareholder holding a minimum of 200,000 shares, which can be either owned by one shareholder or combined;
2. Has owned the shares as stipulated above continuously for at least one year by the date the shareholder proposes the director nominee; and
3. Show proof of share ownership, such as a certified letter from a securities company or other evidence from the SET of TSD.

The Nomination and Remuneration Committee will evaluate the qualifications of the nominees and give opinion to the Board of Directors for further consideration and proposing to the shareholders' meeting. The Board's resolution is considered final.

The nominees approved by the Nomination and Remuneration Committee and the Board of Directors will be included in the agenda for director election along with the opinion of the Board of Directors. For the nominees who are not approved by the Nomination and Remuneration Committee or the Board of Directors, the Bank will inform the shareholder(s) after the Board of Directors' meeting via its website or other appropriate channels.



Nomination of Executives

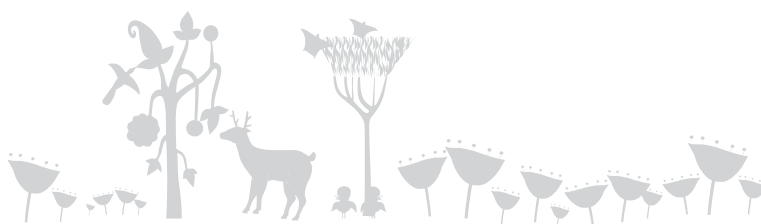
The Nomination and Remuneration Committee is responsible for selecting and determining qualified individuals with desired qualifications to be appointed as the Bank's Executives. The Committee selects qualified individuals based on knowledge, capabilities and experience in the financial and banking industry, and other attributes which are necessary for appointed roles. Furthermore, the qualified individuals should demonstrate professional values and vision which are aligned with that of the Board of Directors, to ensure success of the Bank. Upon selecting qualified individuals, the Nomination and Remuneration Committee will propose the selected candidates to the Board of Directors for approval.

For other management positions from Executive Vice President and First Executive Vice President, the senior executives are responsible for recruiting individuals who demonstrate knowledge, capabilities, and experiences which are required for appointed positions. Senior Executives will propose selected candidates to the Nomination and Remuneration Committee, and subsequently propose to the Bank of Thailand for approval and to the Board of Directors for official appointments.

Procedures in the Appointment of Directors, Executives, Authorized Persons or Advisors

The Bank has set the guideline for appointing directors, executives, authorized persons or advisors of the Bank so that the approval of such persons complies with the Financial Institution Business Act B.E. 2551 and the notification of the Bank of Thailand, which specifies that financial institutions have to verify the qualifications of persons proposed to be appointed as directors, executives, authorized persons or advisors to ensure that they do not hold incompatibility as prescribed in Section 24 (1) – (10) of the Financial Institution Business Act B.E. 2551, and possess an additional three aspects required by the Bank of Thailand which includes 1) Honesty, Integrity and Reputation; 2) Competence, Capability and Experience; and 3) Financial Soundness.

Upon the approval from the Bank of Thailand, the nominated persons will be proposed to the Board of Directors for approval or for proposing to the shareholders' meeting for election.



Remuneration of Directors and Executives

Monetary Remuneration

Remuneration of Directors

The Bank has developed the directors' remuneration structure which is in line with industry practices. The directors' remuneration shall be determined based on the fiduciary of duty. Level of the remuneration shall be attractive to qualified directors, and shall incentivize the directors to perform their duties with dedication for the Bank. In addition, the directors' remuneration shall be reviewed annually to ensure its competitiveness compared with directors' remuneration of the listed companies with similar businesses or equivalent, as disclosed in the Thai Institute of Directors Association (IOD)'s Thai Directors Compensation Survey.

The Nomination and Remuneration Committee shall review and determine the directors' remuneration on an annual basis and propose to the Board of Directors' meeting and the annual general meeting of shareholders for approval.

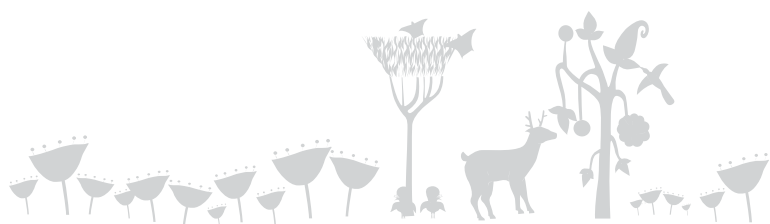
Director's remuneration structure is consisted of:

- Retaining Fee: Monthly remuneration payout to the Chairperson and directors of the Board.
- Attendance Fee: Directors are entitled to receive the attendance fee based on their attendance..
- Bonus: Annual remuneration for the directors which is related to the Bank's performance.

The 2015 Annual General Meeting of Shareholders, dated on April 23, 2015 approved a budget of Baht 17 million for the directors' remuneration for the year 2015. The remuneration included retaining fee, attendance fee for the Board of Directors' and sub-committees' meetings and general benefits such as group life and health insurances and remuneration for the advisor of the sub-committees of which details were as follows:

	Retaining Fee (Baht / Month)	Attendance Fee (Baht / Meeting)
(1) Remuneration of Board of Director		
- Chairperson	100,000	-
- Member	50,000	-
(2) Remuneration of Sub-committees		
- Chairperson	-	30,000
- Member	-	20,000
(3) Remuneration of Advisor of Sub-committees	250,000	-

The Board of Directors was of the opinion that the remuneration for Chairmen, which was higher than those of other directors, was appropriate as the Chairmen had significant role in supporting the performance of the Board of Directors and committees for the utmost benefit of the Bank and shareholders.



Regarding the directors' bonus for the year 2015, the Board of Directors would propose to the 2016 Annual General Meeting of Shareholders for approval.

Directors, who assume managerial positions of the Bank and/ or of the subsidiaries in the Group, shall not be eligible for directors' remuneration.

Directors who are appointed as directors in any committees or advisors to the sub-committees, shall be entitled to receive the attendance fee based on their attendance and delegated authorities.

The subsequence table presents remuneration of directors for the year 2015, including all components of the remunerations for every committee body and general benefits such as group life and health insurances, in the total of Baht 13.82 million which is under the 2015 directors' remuneration budget of Baht 17 million approved by the 2015 Annual General Meeting of Shareholders but excludes directors' bonus which will be proposed to the 2016 Annual General Meeting of Shareholders for approval.

(Unit : Baht)

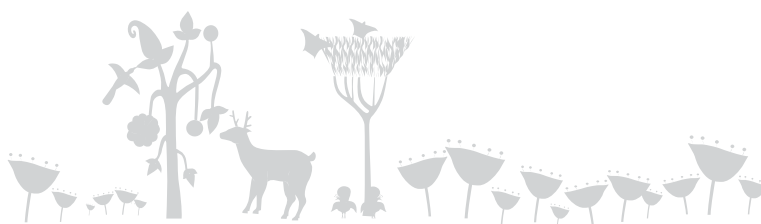
No.	Name of Directors	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Compliance & Governance Committee	Risk Management Committee	Executive Committee	Main Credit and Foreclosed Property Committee	Credit and Foreclosed Property Committee	Investment Committee	Advisor to Executive Committee	2015 Bonus (Paid in 2016) ¹	Grand Total
1	Mr. Supol Wattanavekin	1,200,000	-	-	-	450,000	-	-	-	-	3,000,000	2,000,000	6,650,000
2	Mrs. Dayana Bunnag ¹	411,667	150,000	-	-	-	-	-	-	-	-	690,410	1,252,077
3	Assoc. Prof. Manop Bongsadatt	600,000	-	180,000	-	-	-	-	-	-	-	1,000,000	1,780,000
4	Mr. Chet Pattrakornkul	600,000	160,000	140,000	180,000	-	-	-	-	-	-	1,000,000	2,080,000
5	Mr. Pravut Varutbangkul	600,000	160,000	140,000	120,000	-	-	-	-	-	-	1,000,000	2,020,000
6	Mr. Pongtep Polanun	600,000	-	-	-	-	-	820,000	840,000	80,000	-	1,000,000	3,340,000
7	Mr. Tamin Chirasoonton	600,000	-	-	100,000	-	-	-	-	-	-	1,000,000	1,700,000
8	Mr. Suraphol Kulsiri	600,000	-	-	-	-	-	880,000	-	-	-	1,000,000	2,480,000
9	Mr. Suvit Mapaisansin ³	550,000	-	-	-	-	200,000	-	-	-	-	1,000,000	1,750,000
10	Mr. Banyong Pongpanich	-	-	-	-	-	-	-	-	-	-	-	-
11	Mr. Aphinant Kiewpatinond	-	-	-	-	-	-	-	-	-	-	-	-
12	Mr. Kritiya Veeraburus	-	-	-	-	-	-	-	-	-	-	-	-
13	Ms. Thitinan Wattanavekin	-	-	-	-	-	-	-	-	-	-	-	-
14	Mr. Pracha Chumnanmikkosol	-	-	-	-	-	-	-	-	-	-	-	-
15	Mrs. Patraporn Miindasuta	-	-	-	-	-	-	-	-	-	-	-	-
Directors who resigned during 2015													
16	Mr. Pichai Dachanapirom ²	188,333	90,000	-	-	-	-	-	-	-	-	-	278,333
Total		5,950,000	560,000	460,000	400,000	450,000	200,000	1,700,000	840,000	80,000	3,000,000	9,690,410	23,330,410

¹ Appointed as a director on April 23, 2015

² Resigned effective on April 23, 2015

³ Resigned from consultant position of the subsidiaries in the Group effective on February 1, 2015

⁴ The Board of Directors will propose to the 2016 Annual General Meeting of Shareholders for approval of 2015 directors' bonus. (Referring to the Minutes of the 2015 Annual General Meeting of Shareholders dated on April 23, 2015)



Directors, who also serve as directors of the subsidiaries in the Group, shall not be eligible for directors' remuneration from the subsidiaries in the Group.

Remunerations of Executives

On an annual basis, the Nomination and Remuneration Committee shall arrange the performance evaluation of the CEO, President and Chairmen of the business group or equivalent. The evaluation results shall be used as one of the factors to determine their appropriate compensation. The Chairman of the Nomination and Remuneration Committee, who is an independent director, shall communicate the evaluation results to the CEO, President and Chairmen of the business group or equivalent.

In 2015, the Bank paid compensation to eighteen executives, excluding four executives who are on secondment from subsidiaries, of Baht 180.32 million in total. The compensation arranged for the executives were in the form of monthly salaries, bonuses and other incomes (if any), which were determined based on the total compensation concept, taken into account the performance of the overall organization, function or business unit and the individual performance. The Bank has not offered any right to purchase or sell any asset to the senior executives.

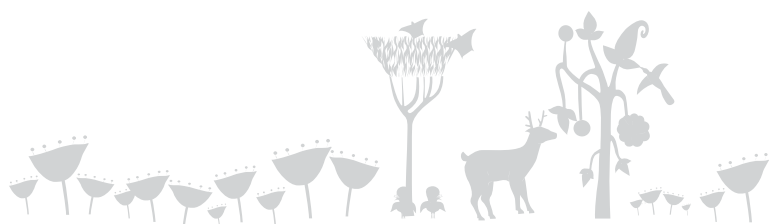
(Executives, according to the definition suggested by the SEC, are managers or executives at top-four level positions from Managing Director and all employees, whose position levels are equivalent to 4th level top management positions, including Head of Finance or Accounting Department.)

Other Compensations

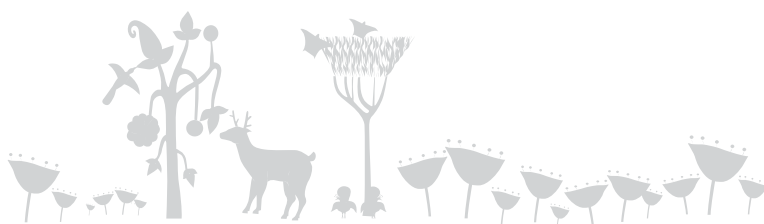
In addition to the directors' remuneration in the form of retaining fee, attendance fee and bonus, the Bank also provides other general benefits and perquisites to the directors such as group insurances which cover life, accident, total permanent disability and health for the Chairman and directors who are non-executive directors. Insurance coverage for life, accident and total permanent disability is Baht 5 million and Baht 2.5 million for the Chairman and non-executive directors respectively. Health insurance coverage is identical to those of the senior executives. The group life and health insurance premium for directors for the year 2015 was Baht 181,397.45.

Table shows changes in directors' shareholding and ESOP-W2*

NO.	Director	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
1	Mr. Supol Wattanavekin	12,605,416	12,605,416	-	-	-	-
	Spouse	1,071,434	1,071,434	-	-	-	-
	Minor Children	-	-	-	-	-	-
2	Mrs. Dayana Bunnag ^{/1}	N/A	-	-	-	-	-
	Spouse	N/A	-	-	-	-	-
	Minor Children	N/A	-	-	-	-	-



NO.	Director	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
3	Associate Professor Manop Bongsadadt	100,000	100,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
4	Mr. Chet Pattrakornkul	75,000	75,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
5	Mr. Pravit Varutbangkul	25,000	50,000	25,000	-	-	-
	Spouse	250,000	250,000	-	-	-	-
	Minor Children	-	-	-	-	-	-
6	Mr. Pongtep Polanun	488	488	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
7	Mr. Tamin Chirasooton	100,000	100,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
8	Mr. Suraphol Kulsiri	-	97,000	97,000	97,000	-	(97,000)
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
9	Mr. Banyong Pongpanich	2,000,046	2,000,046	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
10	Mr. Suvit Mapaisansin	1,029,406	1,029,406	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
11	Mr. Aphinant Klewpatinond	550,000	550,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-



NO.	Director	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
12	Mr. Krittiya Veeraburus	172	172	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
13	Ms. Thitinan Wattanavekin	35,532,761	35,532,761	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
14	Mr. Pracha Chumnarnkitkosol	-	359,100	359,100	375,000	-	(375,000)
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
15	Mrs. Patraporn Milindasuta	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-

Remark:

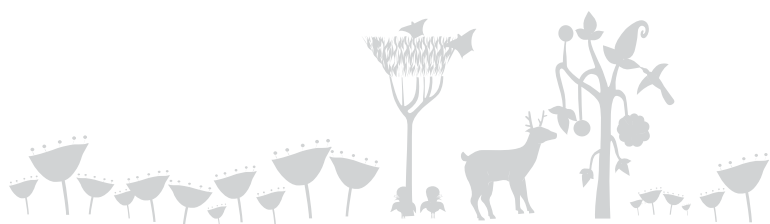
* In 2010, the Bank issued and offered ESOP-W2, which had the last exercise date on June 30, 2015.

N/A means

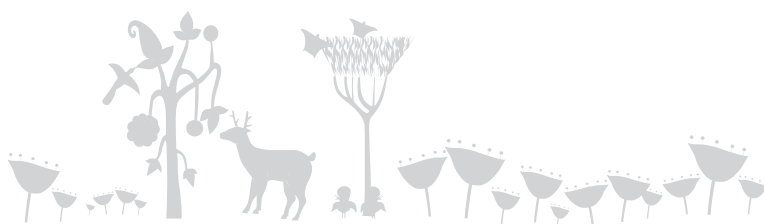
¹ Mrs. Dayana Bunnag was appointed as a director on April 23, 2015. Hence, a number of shareholdings as of December 31, 2014 is not appropriate comparison.

Table shows changes in executives' shareholding and ESOP-W2*

NO.	Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
1	Mrs. Kulnan Tsanthaiwo	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-



NO.	Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
2	Mr. Chatchai Dusadenoad ¹	N/A	-	-	-	-	-
	Spouse	N/A	-	-	-	-	-
	Minor Children	N/A	-	-	-	-	-
3	Mr. Chavalit Chindavanig	375,000	375,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
4	Mr. Norachet Sangruji ²	N/A	1,570,000	-	-	-	-
	Spouse	N/A	-	-	-	-	-
	Minor Children	N/A	-	-	-	-	-
5	Mr. Preecha Techarungchaikul	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
6	Dr. Popanit Poommarapan	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
7	Mr. Pansalit Trakarnkitvichit	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
8	Mr. Pattarapong Raktabutr ³	N/A	-	-	-	-	-
	Spouse	N/A	-	-	-	-	-
	Minor Children	N/A	-	-	-	-	-
9	Mr. Manit Wannavanit	30,000	30,000	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
10	Mr. Worrakrit Jaruwongpak	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-



NO.	Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	ESOP-W2 Holding (Unit)		Change Increase/ (Decrease) (Unit)
		December 31, 2014	December 31, 2015		December 31, 2014	December 31, 2015	
11	Mr. Wittapon Jawjit	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
12	Mr. Sarawut Charuchinda	260,000	350,000	90,000	225,000	-	(225,000)
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
13	Dr. Anuchit Anuchitanukul	-	-	-	-	-	-
	Spouse	-	-	-	-	-	-
	Minor Children	-	-	-	-	-	-
14	Ms. Nilawan Treekitjamroon ¹⁴	N/A	-	-	-	-	-
	Spouse	N/A	-	-	-	-	-
	Minor Children	N/A	-	-	-	-	-

Remark:

* In 2010, the Bank issued and offered ESOP-W2, which had the last exercise date on June 30, 2015.

N/A means

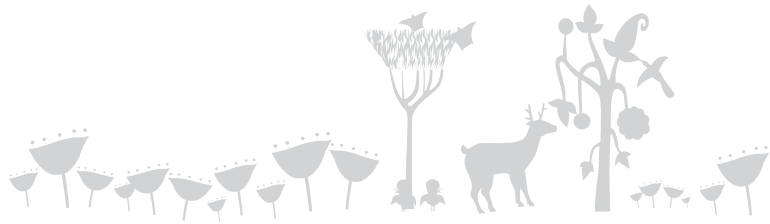
¹¹ Mr. Chatchai Dusadenoad was appointed as First Executive Vice President, Head of Information Technology Group on October 1, 2015. Hence, a number of shareholdings as December 31, 2014 is not appropriate comparison.

¹² Mr. Norachet Sangruji was appointed as First Executive Vice President, Head of Corporate Banking Group on May 15, 2015. Hence, a number of shareholdings as December 31, 2014 is not appropriate comparison.

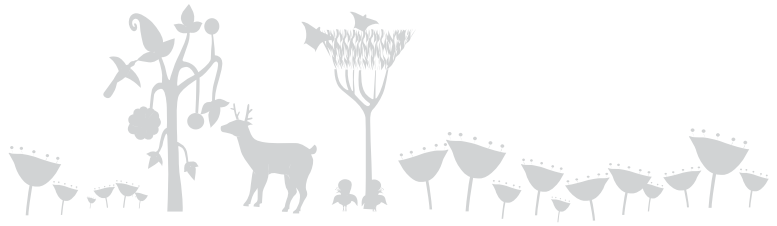
¹³ Mr. Pattarapong Raktabutr was appointed as First Executive Vice President, Head of Alternative Distribution Channel Group on December 1, 2015. Hence, a number of shareholdings as December 31, 2014 is not appropriate comparison.

¹⁴ Ms. Nilawan Treekitjamroon was appointed as Senior Vice President, Department Head of Accounting on January 1, 2015. Hence, a number of shareholdings as December 31, 2014 is not appropriate comparison.

Profiles of Directors, Executives, Controlling Persons and Corporate Secretary

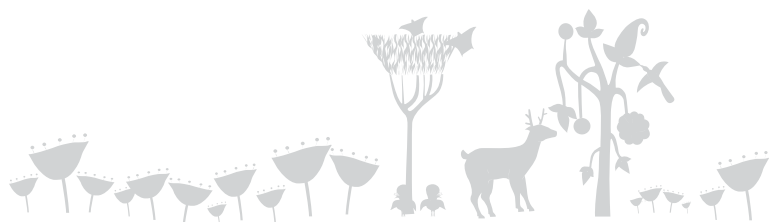


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
1. Mr. Supol Wattanavekin • Chairman of the Board of Directors ¹⁾ • Chairman of the Risk Management Committee ¹⁾ Appointed effective on April 1, 1973	60	• Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Laws Ramkhamhaeng University Director Training Programs: • CG Forum 4/2015 - Thailand CG Forum "Governance as a Driving Force for Business Sustainability" The Stock Exchange of Thailand (SET) • Director Certification Program Update (DCPU 1/2014) Thai Institute of Directors Association (IOD) • CG Forum 2/2014 Corporate Governance in the Perspective of investors The Stock Exchange of Thailand (SET) • Chairman Forum 1/2013 Meeting the AEC Challenge : Role of the Chairman Thai Institute of Directors Association (IOD) • CG Forum 3/2013 Conflict of Interest : Fighting abusive RPT The Securities and Exchange Commission • Chairman Forum 2/2013 Role of the Chairman's business code of conduct Thai Institute of Directors Association (IOD) • Financial Institution Governance Program (FGP 2/2011) Thai Institute of Directors Association (IOD) • Financial sector Restructuring in Thailand : From present to the future (Special Seminar 1/ 2010) Thai Institute of Directors Association (IOD) • The 5 th SEACEN / ABAC / ABA / PECC Public Private Dialogue for the Asia Pacific Region (2009) The South East Asia Central Bank Research and Training Center, Malaysia	Ms. Thitinan Wattanavekin's brother	13,676,850	Kiatnakin Phatra Financial Group		
					2011 - Present	Chairman of the Board of Directors Chairman of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2007 - 2010	Director Chairman of the Executive Committee Chairman of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2005 - 2007	Chairman of the Board of Directors	Kiatnakin Bank Public Company Limited
					1999 - 2011	Director	KKTRADE Securities Company Limited
					Other Listed Companies		
					2004 - Present	Director	The Erawan Group Public Company Limited
					Non-Listed Companies		
					May 2015 - Present	Director	Ruamwanthana Company Limited
					1990 - Present	Chairman of the Board of Directors	BTMU Leasing (Thailand) Company Limited



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
		<ul style="list-style-type: none"> Corporate Governance Report of Thai Listed Companies (2007) Thai Listed Companies Association Leadership, Strategic Growth and Change (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University Organizing and Managing Strategic Alliances for Success and Profit (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University Director Certification Program (DCP 76/2006) Thai Institute of Directors Association (IOD) Director Accreditation Program (DAP 56/2006) Thai Institute of Directors Association (IOD) Orchestrating Winning Performance (2005) IMD International, Switzerland Board & CEO Assessment (2003) Thai Institute of Directors Association (IOD) The Role of the Chairman Program (RCP 1/2000) Thai Institute of Directors Association (IOD) 					

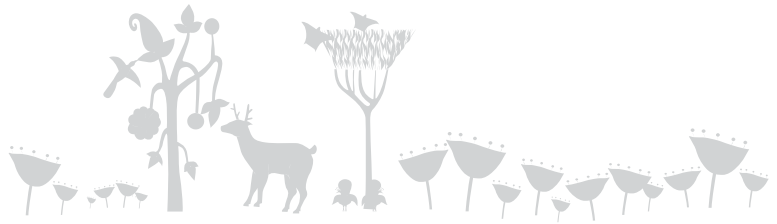
*KKP share holding is included share numbers of spouse and minor children



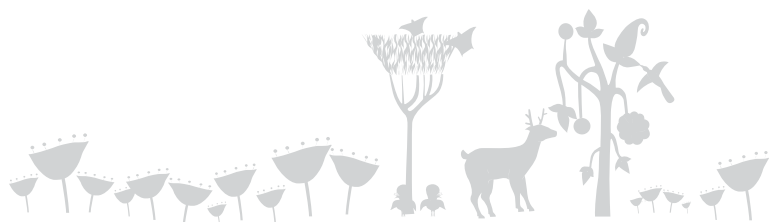
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding [*]	Experience in the Past 5 Years		
					Year	Position	Company Name
2. Mrs. Dayana Bumag <ul style="list-style-type: none">• Independent Director¹• Chairwoman of the Audit Committee² ¹ Appointed effective on April 23, 2015 ² Appointed effective on April 30, 2015	63	<ul style="list-style-type: none">• Master of Business Administration University of Texas, Austin, U.S.A.• Bachelor of Economics (2nd Class Honors) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">• Director Certification Program Update (DCPU 5/2015)• Thai Institute of Directors Association (IOD) Committee (RNG 4/2013)• Role of the Nomination and Governance Committee (RNG 4/2013)• Thai Institute of Directors Association (IOD) Committee (RNG 4/2013)• Top Executive Program (Class 11/2011) Capital Market Academy• Role of the Compensation Committee (RCC 11/2010)• Thai Institute of Directors Association (IOD)• Director Certification Program (DCP 4/2000)• Thai Institute of Directors Association (IOD)• Fund Manager Course<ul style="list-style-type: none">- Course 1/1996- Refresher Course 7/2005- Refresher Course 11 (2/2007)- Refresher Course 15 (2/2009)• Association of Investment Management Companies	None	None	Kiatnakin Phatra Financial Group		
					Apr 2015 - Present	Independent Director Chairman of the Audit Committee	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					Feb 2016 - Present	Director of the Pension Integration Committee	Ministry of Finance
					Nov 2015 - Present	Sub-committee of the Investment Committee	National Savings Fund
					Mar 2015 - Mar 2016	Director Member of the Audit Committee	Metropolitan Electronic Authority
					Jul - Nov 2014	Director Member of the Audit Committee	Metropolitan Electronic Authority
					2014 - Present	Chairwoman of the Audit Committee	Ocean Life Insurance Public Company Limited
					2012 - Present	Director	Ocean Life Insurance Public Company Limited
					2012 - Present	Advisor to the President and Vice Chairwoman of the Executive Committee	Bangkok University
2012 - Present	Member of Committee on Consideration of Guidelines for Investment of Insurance Companies in Other Businesses	Office of Insurance Commission					
2012 - Present	Member of Committee on Consideration of Draft Insurance Commission Declarations	Office of Insurance Commission					
2005 - Present	Director	Bulun Buri Company Limited					
2010 - 2012	Director	Ocean Life Insurance Company Limited					

¹ Appointed effective on
April 23, 2015

² Appointed effective on
April 30, 2015

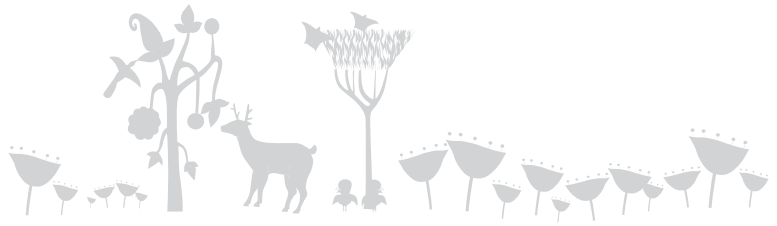


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
Non-Listed Companies							
					2007 - 2010	Managing Director	Ocean Life Insurance Company Limited
					1992 - 2006	Managing Director	Kasikorn Asset Management Company Limited
					1977 - 1992	Deputy Managing Director	Phatra Thanakit Finance and Securities Company Limited
					2009 - 2014	Board Member of Capital Market Advisory Board	The Securities and Exchange Commission
					2010 - 2014	Chairwoman of Disciplinary Committee on Capital Market Personnel	The Securities and Exchange Commission
					2012 - 2013	Chairwoman of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Debts and Sukuk	The Securities and Exchange Commission
					2012 - 2013	Chairwoman of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Derivative, Structured Notes and Complex Products	The Securities and Exchange Commission
					2010 - 2013	Working Group for Consideration of SRO Approval Criteria	The Securities and Exchange Commission
					2010 - 2012	Chairwoman of Sub-Committee on Consideration of Draft Notifications Concerning Issuance and Offering of Debts	The Securities and Exchange Commission
					2010 - 2012	Chairwoman of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Sukuk	The Securities and Exchange Commission



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
					Non-Listed Companies		
					2010 - 2012	Chairwoman of Sub-Committee on Consideration of Draft Notifications Concerning Issuance and Offering of Equities and Management of Securities Issuing Companies	The Securities and Exchange Commission
					2010 - 2012	Chairwoman of Sub-Committee on Consideration of Draft Notification Concerning Issuance and Offering of Derivatives and Structured Notes	The Securities and Exchange Commission
					2006 - 2010	Chairwoman of Disciplinary Committee	The Securities and Exchange Commission
					2008 - 2009	Advisory Committee on Best Practices for Director Compensation	Thai Institution of Director Association (IOD)

*KKP share holding is included share numbers of spouse and minor children

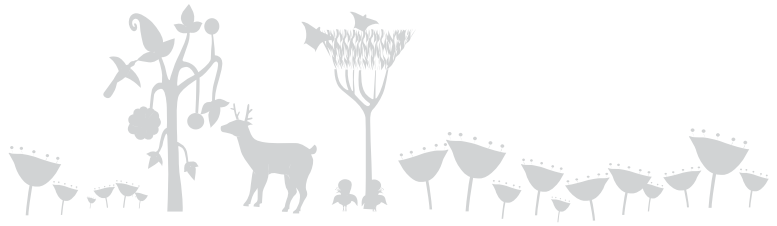


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
					Kiatnakin Phatra Financial Group		
3. Associate Professor Manop Bongsadatt • Independent Director ¹⁾ • Chairman of the Nomination and Remuneration Committee ¹⁾ Appointed effective on June 21, 2004	74	<ul style="list-style-type: none"> • Master of Regional Planning, Institute of Social Studies, The Netherlands • Master of Architecture, Kansas State University, U.S.A. • Bachelor of Architecture Chulalongkorn University Director Training Programs: <ul style="list-style-type: none"> • Role of the Nomination and Governance Committee (RNG 1/2011) • Thai Institute of Directors Association (IOD) • Director Certification Program (DCP 150/2011) • Thai Institute of Directors Association (IOD) • Role of The Compensation Committee (RCC 8/2009) • Thai Institute of Directors Association (IOD) • Role of the Chairman Program (RCP 17/2007) • Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP 10/2005) • Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 8/2004) • Thai Institute of Directors Association (IOD) 	None	100,000	2006 - Present	Chairman of the Nomination and Remuneration Committee	Kiatnakin Bank Public Company Limited
					Oct 2005 - Present	Independent Director	Kiatnakin Bank Public Company Limited
					Jun 2004 - Oct 2005	Independent Director	Kiatnakin Finance Public Company Limited
					<u>Other Listed Companies</u>		
					2004 - Present	Director Member of the Audit Committee	The Erawan Group Public Company Limited
					2003 - 2014	Chairman of the Board of Directors Independent Director	Rasa Property Development Public Company Limited
					<u>Non-Listed Companies</u>		
					2012 - Present	Chairman of the Board of Directors Independent Director	Worluk Property Public Company Limited
					2006 - Present	Director	Krungthep Thanakom Company Limited
					2002 - Present	Associate Professor	Faculty of Architecture, Chulalongkorn University
					1992 - Present	Director	Tubkaew-Hori and Nursery Kindergarten Company Limited

*KKP share holding is included share numbers of spouse and minor children

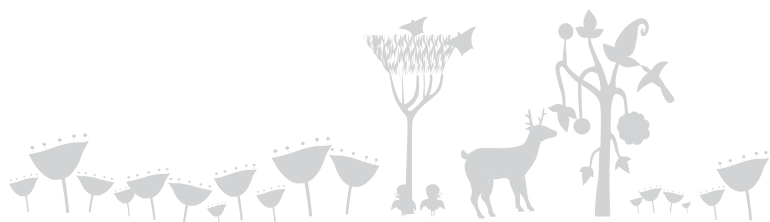


Appointed effective on
April 7, 2005



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
		<ul style="list-style-type: none"> Monitoring Fraud Risk Management (MFM 1/2009) Thai Institute of Directors Association (IOD) Board and Director Performance Evaluation (R-WS workshop 2/2008) Thai Institute of Directors Association (IOD) Corporate Governance Report of Thai Listed Companies (2007) Thai Listed Companies Association Monitoring the Internal Audit Function (MIA 1/2007) Thai Institute of Directors Association (IOD) Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association (IOD) Role of the Compensation Committee (RCC 1/2006) Thai Institute of Directors Association (IOD) DCP Refresher Course (3/2006) Thai Institute of Directors Association (IOD) Director Certification Program (DCP 9/2001) Thai Institute of Directors Association (IOD) 					

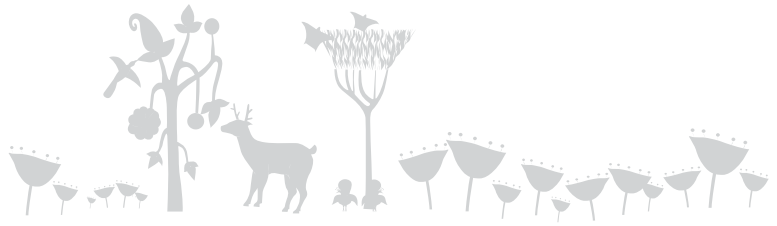
*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
5. Mr. Pravut Varutbangkul • Independent Director ¹⁾ • Member of the Audit Committee • Member of the Compliance and Governance Committee • Member of the Nomination and Remuneration Committee	68	• Master of Business Administration (Operations Research & General) University of Santa Clara, California, U.S.A. • Bachelor of Science (Operations Research & Finance) Brigham Young University, Provo, Utah, U.S.A. Director Training Programs: • Corporate Governance for Capital Market Intermediaries (CGI 08/2015) Thai Institute of Directors Association (IOD) • The 2 nd National Director Conference 2013 "Board Leadership Evolution" Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP 7/2013) Thai Institute of Directors Association (IOD) • Effective Business Performance Leadership (5/2008) Thai Institute of Directors Association (IOD) • Monitoring Strategy Implementation and Execution (2008) Thai Institute of Directors Association (IOD) • Improving The Quality of Financial Reporting (QFR 5/2007) Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP 16/2007) Thai Institute of Directors Association (IOD) • DCP Refresher Course (3/2006) Thai Institute of Directors Association (IOD) • Director Certification Program (DCP 5/2001) Thai Institute of Directors Association (IOD)	None	300,000	Kiatnakin Phatra Financial Group		
					2013 - Present	Member of the Nomination Remuneration Committee	Kiatnakin Bank Public Company Limited
					2011 - Present	Member of the Audit Committee Member of the Compliance and Governance Committee	Kiatnakin Bank Public Company Limited
					Nov 2010 - Present	Independent Director	Kiatnakin Bank Public Company Limited
					2009 - 2011	Member of the Audit Committee	KKTRADE Securities Company Limited
					2007 - 2011	Director	KKTRADE Securities Company Limited
					2005 - 2010	Director	Kiatnakin Bank Public Company Limited
					1996 - 2005	Director	Kiatnakin Finance Public Company Limited
					<u>Other Listed Companies</u>		
					None		
					<u>Non-Listed Companies</u>		
					None		

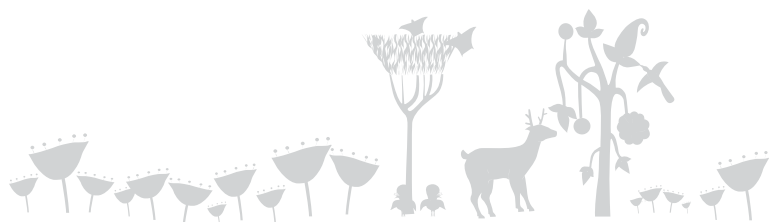
*KKP share holding is included share numbers of spouse and minor children

¹⁾ Appointed effective on August 20, 1996



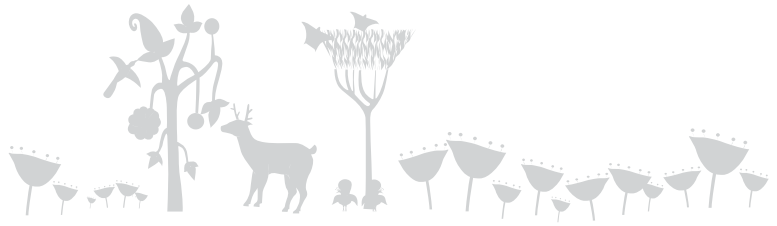
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
6. Mr. Pongtep Polanun • Independent Director ¹⁾ ¹⁾ Appointed effective on April 26, 2012	61	• Executive Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalong University • Master of Economics (Financial Economics) The National Institute of Development Administration • Bachelor of Economics Thammasat University Director Training Programs: • Director Accreditation Program (DAP 36/2005) Thai Institute of Directors Association (IOD)	None	488	Kiatnakin Phatra Financial Group		
					Apr 2012 - Present	Independent Director	Kiatnakin Bank Public Company Limited
					2010 - 2012	Independent Director Member of the Audit Committee	Phatra Capital Public Company Limited
					2003 - 2012	Independent Director Member of the Audit Committee	Phatra Securities Public Company Limited
					Other Listed Companies		
					2003 - Present	Vice Chairman of the Board of Directors Independent Director Member of the Audit Committee	Advanced Information Technology Public Company Limited
					2013 - 2014	Advisor to Managing Director	Muang Thai Insurance Public Company Limited
					2010 - 2011	Advisor to Managing Director	Muang Thai Insurance Public Company Limited
					2010 - 2011	Director	Krung Thai Bank Public Company Limited
					2009 - 2010	Independent Director	Phatra Leasing Public Company Limited
					2000 - 2012	Advisor to Managing Director	The Royal Ceramic Industry Public Company Limited
					Non-Listed Companies		
					2007 - Present	Director	K S P Square Company Limited
					2010 - 2012	Chairman of the Board of Directors	Krung Thai IBJ Leasing Company limited

*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
7. Mr. Tarnin Chirasoonton • Director ¹⁾ • Member of the Compliance and Governance Committee ¹⁾ Appointed effective on January 8, 1999	63	• Bachelor of Law Ramkhamhaeng University Director Training Programs: • CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" The Stock Exchange of Thailand • CG Forum 1/2015 "CG in Substance Corporate Culture and CG Principles" The Stock Exchange of Thailand • Director Certification Program Update (DCPU 1/2014) Thai Institute of Directors Association (IOD) • Role of the Nomination and Governance Committee (RNG 1/2011) Thai Institute of Directors Association (IOD) • DCP Refresher Course (5/2007) Thai Institute of Directors Association (IOD) • Advanced Business Management For Executive Program (ABM Exec 2005) The Continuing Education Center, Chulalongkorn University • Public Administration Course (2003) Political Science Faculty Thammasat University • Director Certificate Program (DCP 10/2001) Thai Institute of Directors Association (IOD) • Real Estate and Skyscraper Management (1993) Faculty of Architecture, Chulalongkorn University	None	100,000	Kiatnakin Phatra Financial Group		
					2011 - Present	Member of the Compliance and Governance Committee	Kiatnakin Bank Public Company Limited
					2009 - Present	Director	Kiatnakin Bank Public Company Limited
					2006 - 2009	Independent Director	Kiatnakin Bank Public Company Limited
					2004 - 2006	Independent Director Chairman of the Nomination and Remuneration Committee	Kiatnakin Bank Public Company Limited
					2011 - Mar 2015	Chairman of the Board of Directors	Erawan Law Office Company Limited
					2009 - 2011	Managing Director	Erawan Law Office Company Limited
					2003 - 2004	Independent Director Member of Nomination and Remuneration Committee	Kiatnakin Finance Public Company Limited
					2001- 2004	Independent Director Chairman of the Audit Committee	Kiatnakin Finance Public Company Limited
					1999 - 2005	Independent Director Member of the Audit Committee	Kiatnakin Finance Public Company Limited
Other Listed Companies							
			None				
Non-Listed Companies							
			1993 - 1998	Managing Director	Professor Kamthorn Panlab Law Office		
			1978 - 1993	Managing Director	Dharmniti Public Company Limited		

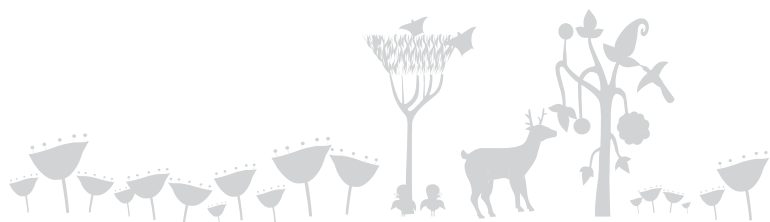
*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
8. Mr. Suraphol Kulsiri • Director ¹⁾ (Authorized Director)	63	<ul style="list-style-type: none"> Bachelor of Business Administration (Marketing) Bangkok University Director Training Programs: <ul style="list-style-type: none"> Director Certification Program Update (DCPU 5/2015) Thai Institute of Directors Association (IOD) Role of the Nomination and Governance Committee Program (RNG 6/2014) Thai Institute of Directors Association (IOD) Role of the Chairman Program (RCP 23/2010) Thai Institute of Directors Association (IOD) Successful Formulation and Execution of Strategy (SFE 7/2010) Thai Institute of Directors Association (IOD) Role of the Compensation Committee (RCC 3/2007) Thai Institute of Directors Association (IOD) Director Certification Program (DCP 13/2001) Thai Institute of Directors Association (IOD) 	None	97,000	Kiatnakin Phatra Financial Group		
					Oct 2005 - Present	Director	Kiatnakin Bank Public Company Limited
					Jun 2004 - Oct 2005	Director	Kiatnakin Finance Public Company Limited
					2003 - 2011	Director Chairman of the Executive Committee	KKTRADE Securities Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					Feb 2015 - Present	Member of Appeal Committee	Appeal Committee The Stock Exchange of Thailand
					2005 - 2009	Chairperson of Information Technology Club	Association of Securities Company Limited
					2005 - 2007	Director	The Stock Exchange of Thailand
					2005 - 2007	Director	Settrade Company Limited

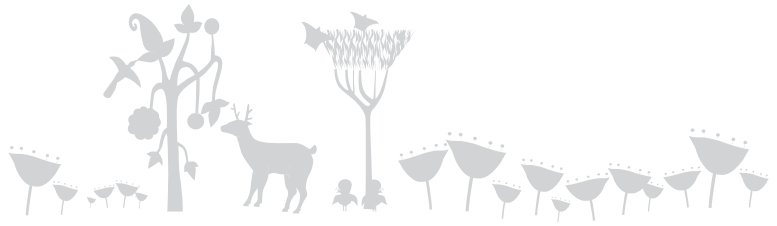
*KKP share holding is included share numbers of spouse and minor children

¹⁾ Appointed effective on June 21, 2004



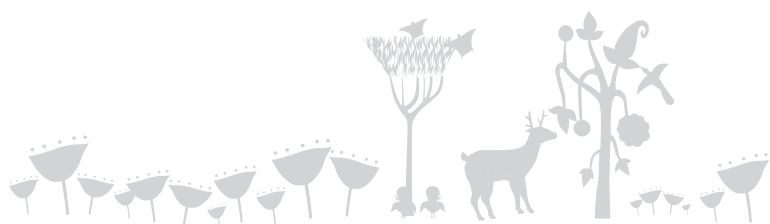
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
9. Mr. Suvit Mapaisansin • Director ¹⁾ • Member of the Executive Committee ¹⁾ Appointed effective on September 12, 2012	56	<ul style="list-style-type: none"> Executive Master of Business Administration (Finance & International Business) Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Economics Chulalongkorn University Director Training Programs: <ul style="list-style-type: none"> Corporate Governance for Capital Market Intermediaries (CGI 5/2015) Thai Institute of Directors Association (IOD) Audit Committee Program (ACP 37/2011) Thai Institute of Directors Association (IOD) Director Certification Program (DCP 12/2001) Thai Institute of Directors Association (IOD) 	None	1,029,406	Kiatnakin Phatra Financial Group		
					2012 - Present	Director	Kiatnakin Bank Public Company Limited
					2010 - Present	Director	Phatra Capital Public Company Limited
					2003 - Present	Director	Phatra Securities Company Limited
					2012 - Jan 2015	Chairman of the Board of Directors	KKTRADE Securities Company Limited
					2012 - Jan 2015	Chairman of the Board of Directors	Phatra Asset Management Company Limited
					2010 - 2012	Executive Director	Phatra Capital Public Company Limited
					2009 - 2012	Executive Director	Phatra Securities Public Company Limited
					2003 - 2009	Chief Executive Officer	Phatra Securities Public Company Limited
					Other Listed Companies		
					Non-Listed Companies		
					Apr 2015 - Present	Independent Director Member of the Audit Committee	GMM Grammy Public Company Limited
					2011 - Present	Independent Director Member of the Audit Committee	Golden Lime Public Company Limited
					2011 - 2012	Chairman of the Audit Committee	Krungthai Card Public Company Limited
					2009 - 2012	Independent Director	Krungthai Card Public Company Limited
					Jul 2015 - Present	Director	Techcare International Company Limited
					2009 - Present	Director	RPIC Pte. Ltd.
					2008 - Present	Director	Ruamphon Phatra International Corp.

*KKP share holding is included share numbers of spouse and minor children



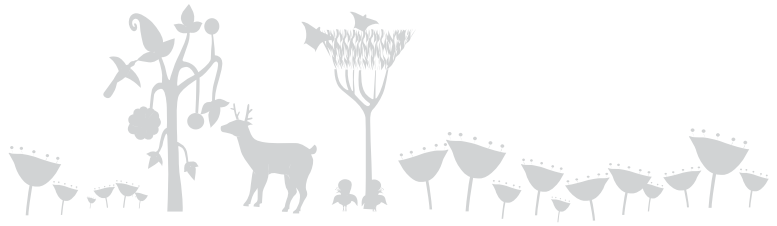
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
10. Mr. Banyong Pongpanich • Director [†] (Authorized Director) • Chairman of the Executive Committee • Member of the Risk Management Committee [†] Appointed effective on April 26, 2012	61	<ul style="list-style-type: none">• Master of Business Administration (Finance & International Business) Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Economics Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">• Anti-Corruption for Executive Program (ACEP 2/2012)Thai Institute of Directors Association (IOD)• Director Accreditation Program (DAP 36/2005)Thai Institute of Directors Association (IOD)• The Role of the Chairman Program (RCP 5/2001)Thai Institute of Directors Association (IOD)	None	2,000,046	Kiatnakin Phatra Financial Group		
					Jan 1, 2016 - Present	Director Chairman of the Executive Committee Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2012 - 2015	Chief Executive Officer	Kiatnakin Bank Public Company Limited
					2010 - Present	Chairman of the Board of Director	Phatra Capital Public Company Limited
					2003 - Present	Chairman of the Board of Director	Phatra Securities Company Limited
					Other Listed Companies		
					2004 - Present	Independent Director	The Erawan Group Public Company Limited
					2003 - Present	Independent Director Chairman of the Nomination and Remuneration Committee	Muang Thai Insurance Public Company Limited
					2012 - 2014	Member of the Audit Committee	Muang Thai Insurance Public Company Limited
					2009 - 2011	Director	Thai Airways International Public Company Limited
					Non-Listed Companies		
					Jan 2015 - Present	Member	National Anti-Corruption Committee
					2014 - Present	Member	State Enterprise Policy Committee
					2014 - Present	Prime Minister's Advisor	Prime Minister's Office
					2012 - Present	Director Executive Director	Thailand Development Research Institute (TDR)
					2011 - Present	Director Executive Director	Buddhadasa Indapanno Archives

[†] Appointed effective on April 26, 2012



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
Non-Listed Companies							
					2009 - Present	Director	RPIC Pte. Ltd
					2008 - Present	Director	Ruamphon Phatra International Corp.
					2007 - Present	Independent Director	Don Muang Tollway Public Company Limited
					2002 - Present	Director	Celennium (Thailand) Company Limited
					2002 - Present	Director	Squirrel (Thailand) Company Limited
					2002 - Present	Director Executive Director	Mae Fah Luang Foundation
					2002 - Present	Member of Advisory Council	Sasin Graduate Institute of Business Administration of Chulalongkorn University
					2008 - 2011	Capital Market Development Committee	Ministry of Finance
					2008 - 2011	Sub-Committee to formulate Capital Market Development Master plan	Ministry of Finance
					2008 - 2011	Tax Reformation Committee	Ministry of Finance
					2003 - 2008	President of Economic Association	Chulalongkorn University

*KKP share holding is included share numbers of spouse and minor children

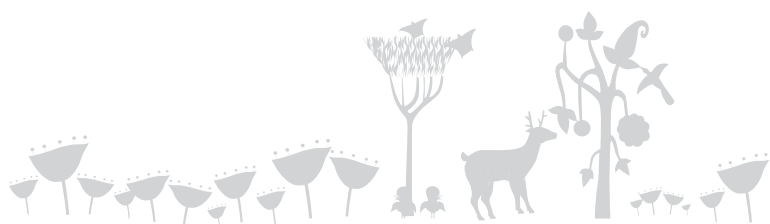


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
11. Mr. Aphinant Kiewpatinond <ul style="list-style-type: none"> • Director¹ (Authorized Director) • Member of the Executive Committee • Member of the Risk Management Committee • President and Chairman of Commercial Banking Business² • Chief Executive Officer³ 	46	<ul style="list-style-type: none"> • Master of Business Administration (Finance) University of Maryland at College Park, U.S.A • Bachelor of Accounting Chulalongkorn University Director Training Programs: <ul style="list-style-type: none"> • Directors Accreditation Program (DAP 82/2010) Thai Institute of Directors Association (IOD) 	None	550,000	Kiatnakin Phatra Financial Group		
					Jan 1, 2016 - Present	Chief Executive Officer	Kiatnakin Bank Public Company Limited
					2013 - Present	Director President and Chairman of Commercial Banking Business Member of the Executive Committee Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2012 - 2013	Director Chairman of Capital Market Business and President Member of the Executive Committee Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2015 - Present	Chairman of the Board of Directors	KKTRADE Securities Company Limited
					2012 - 2015	Director	KKTRADE Securities Company Limited
					2015 - Present	Chairman of the Board of Directors	Phatra Asset Management Company Limited
					2012 - 2015	Director	Phatra Asset Management Company Limited
					2010 - Present	Director	Phatra Capital Company Limited
					2010 - 2012	Chief Executive Officer	Phatra Capital Company Limited
					2010 - Present	Director	Phatra Securities Public Company Limited
					2009 - 2012	Chief Executive Officer	Phatra Securities Public Company Limited
					2007 - 2009	Managing Director (Head of Investment Banking Department)	Phatra Securities Public Company Limited

¹ Appointed effective on September 12, 2012

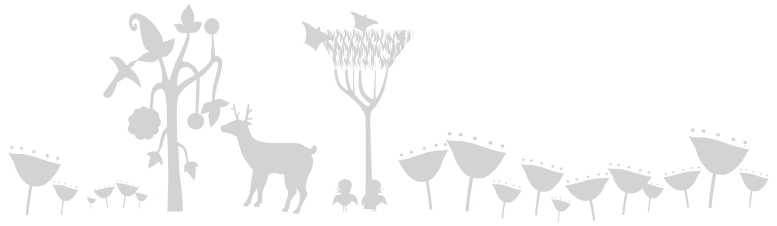
² Appointed effective on April 1, 2013

³ Appointed effective on January 1, 2016



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
					Other Listed Companies		
					2011 - Aug 2013	Independent Director Member of the Audit Committee	Siracha Construction Public Company Limited
					Non-Listed Companies		
					2009 - Present	Director	RPIC Pte. Ltd.
					2014 - Present	Director	The Thai Bankers' Association
					2015 - Present	Director	Thai Listed Companies Association

*KKP share holding is included share numbers of spouse and minor children

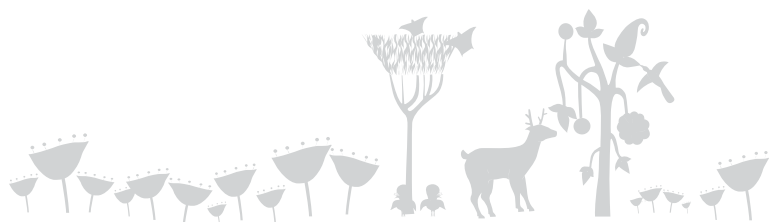


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
12. Mr. Krittiya Veeraburus <ul style="list-style-type: none">• Director¹• Member of the Executive Committee• Member of the Risk Management Committee• Chairman of Capital Market Business²• First Executive Vice President• Head of Corporate Strategy Group³	46	<ul style="list-style-type: none">• Master of Business Administration (Finance & Investment) Golden Gate University, U.S.A.• Bachelor of Business Administration (Management) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">• Director Accreditation Program (DAP 73/2008) Thai Institute of Directors Association (IOD)	None	172	Kiatnakin Phatra Financial Group		
					2013 - Present	Director Chairman of Capital Market Business Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2013 - Present	President	Phatra Capital Public Company Limited Phatra Securities Public Company Limited
					2013 - Present	Director	Phatra Asset Management Company Limited
					2013 - Present	Director	KKTRADE Securities Company Limited
					2012 - Present	Member of the Executive Committee Head of Corporate Strategy Group	Kiatnakin Bank Public Company Limited
					Sep 2012 - Apr 2013	Managing Director (Head of Investment and Trading Group)	Phatra Capital Public Company Limited Phatra Securities Public Company Limited
					Apr - Sep 2012	Director	Kiatnakin Bank Public Company Limited
					2011 - Sep 2012	Managing Director (Head of Direct Investment Department)	Phatra Capital Public Company Limited
					2009 - 2010	Managing Director (Head of Direct Investment Group)	Phatra Securities Public Company Limited
Other Listed Companies							
2008 - 2010					Director	CS Loxinfo Public Company Limited	
Non-Listed Companies							
2014 - Present					Director	Association of Securities Companies	
2006 - Present					Director	The Palm Cha Am Company Limited	

¹ Appointed effective on May 18, 2013

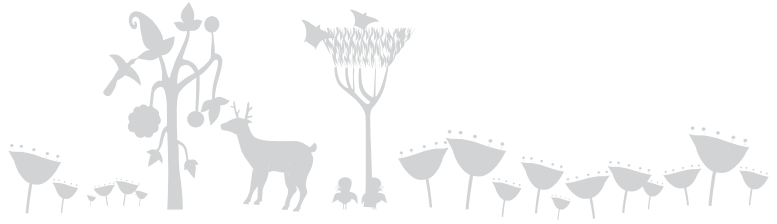
² Appointed effective on April 1, 2013

³ Appointed effective on October 15, 2012



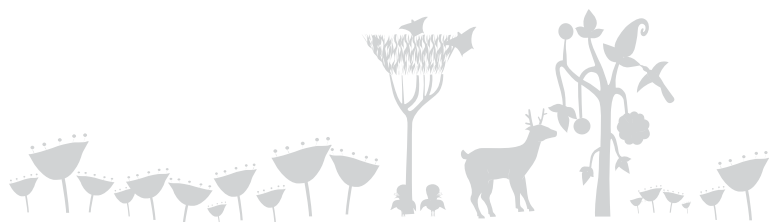
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding ¹	Experience in the Past 5 Years		
					Year	Position	Company Name
13. Ms. Thitinan Wattanavekin • Director ¹ (Authorized director) • Member of the Executive Committee ¹ Appointed effective on January 1, 2011	58	<ul style="list-style-type: none">• Master of Management Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Science (Public Affairs) University of Southern California, U.S.A. Director Training Programs: <ul style="list-style-type: none">• Director Certification Program Update (DCPU 5/2015)• Thai Institute of Directors Association (IOD)• Corporate Governance for Capital Market Intermediaries (CGI 8/2015)• Thai Institute of Directors Association (IOD)• Role of the Nomination and Governance Committee Program (RNG 6/2014)• Thai Institute of Directors Association (IOD)• Financial Institutions Governance Program (FGP 5/2012)• Thai Institute of Directors Association (IOD)• Financial Planning for Executive (2012)• Thai Financial Planners Association• Current Issue Seminar (R-CIS 1/2008)• Thai Institute of Directors Association (IOD)• Corporate Governance and Social Responsibility (CSR 1/2007)• Thai Institute of Directors Association (IOD)• Capital Market for Executives (CMA 2/2006)• Capital Market Academy• Board Performance Evaluation (2006)• Thai Institute of Directors Association (IOD)• DCP Refresher Course (1/2005)• Thai Institute of Directors Association (IOD)• Directors Certification Program (DCP 1/2000)• Thai Institute of Directors Association (IOD)	Mr. Supol Wattanavekin's sister	35,532,761	Kiatnakin Phatra Financial Group		
					2012 - Present	Director Member of the Executive Committee	Kiatnakin Bank Public Company Limited
					2012 - Present	Director	Phatra Capital Public Company Limited
					2012 - Present	Director	Phatra Securities Public Company Limited
					2012 - 2015	First Executive Vice President	Kiatnakin Bank Public Company Limited
					2012 - 2014	Head of Priority Banking Group	Kiatnakin Bank Public Company Limited
					2011 - 2012	Director Member of the Executive Committee Member of the Risk Management Committee Head of Priority Banking Group	Kiatnakin Bank Public Company Limited
					1999 - 2013	Director	KKTRADE Securities Company Limited
					2005 - 2010	Member of the Executive Committee Member of the Risk Management Committee Head of Deposit and Marketing	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
None							
Non-Listed Companies							
2006 - 2011			Director		Chai Talay Hotel Company Limited		

*KKP share holding is included share numbers of spouse and minor children

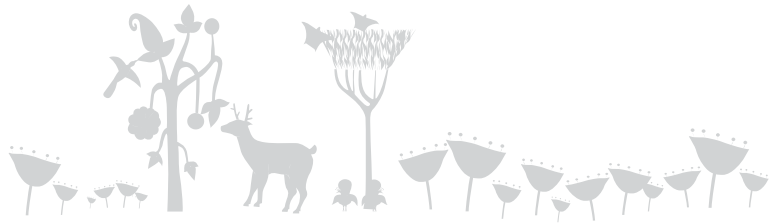


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
14. Mr. Pracha Chumnankitsol • Director ¹ • Member of the Executive Committee • First Executive Vice President • Head of Special Asset Management Group ² ¹ Appointed effective on April 25, 2013 ² Appointed effective on October 1, 2012	53	• Master of Business Administration (Finance) University of Texas Arlington, U.S.A. • Bachelor of Engineering Chulalongkorn University Director Training Programs: • Director Certification Program Update (DCPU 5/2015) Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD) • TLCA Executive Development Program (EDP 8/2011) Thai Listed Companies Associations • Senior Executive Program (SEP-22/2008) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Overview of Current Macro Economic Condition Prudential Regulation-Impact to Thai Corporation (2007) The Thai Banker's Association • Blue Ocean Strategy (2007) Business Development Center • EVA : Managing for Value Creation (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Director Certification Program (DCP 75/2006) Thai Institute of Directors Association (IOD) • Risk Management (2005) The Thai Institute of Banking and Finance Association	None	359,100	Kiatnakin Phatra Financial Group		
					2013 - Present	Director	Kiatnakin Bank Public Company Limited
					2012 - Present	First Executive Vice President Head of Special Asset Management Group Member of the Executive Committee	Kiatnakin Bank Public Company Limited
					2012 - Aug 2015	Director	Phatra Capital Public Company Limited
					2012 - Aug 2015	Director	Phatra Securities Public Company Limited
					2011 - 2012	Director Member of the Executive Committee Member of the Risk Management Committee Member of the Main Credit and Foreclosed Property Committee	Kiatnakin Bank Public Company Limited
					2006 - 2011	Director Member of the Risk Management Committee Head of Risk Management	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
None							

*KKP share holding is included share numbers of spouse and minor children

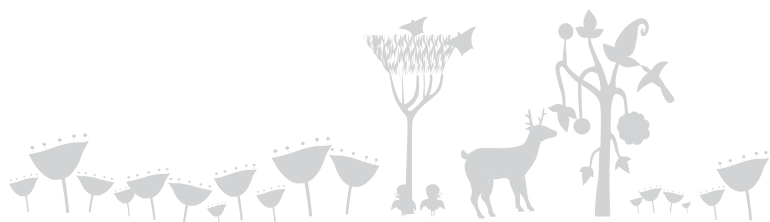


Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
15. Mrs. Patraporn Milindasuta <ul style="list-style-type: none">• Director¹• Member of the Compliance and Governance Committee• Member of the Risk Management Committee• First Executive Vice President• Chief Governance Officer² ¹ Appointed effective on October 1, 2014 ² Appointed effective on June 13, 2013	52	<ul style="list-style-type: none">• Master of Laws Chulalongkorn University• Bachelor of Laws Thammasat University• Barrister-at-Law The Thai Bar under the royal patronage Director Training Programs: <ul style="list-style-type: none">• Corporate Governance for Capital Market Intermediaries (CGI 8/2015)• Thai Institute of Directors Association (IOD)• Compliance Officer (7/2014)• Faculty of Law Chulalongkorn University• TLCA Executive Development Program (EDP 2008)• Thai Listed Companies Association• The Advanced Senior Executive Program (ASEP 2007)• Sasin Graduate Institute of Business Administration of Chulalongkorn University• Company Secretary Program (CSP 12/2005)• Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					Oct 2014 - Present	Director	Kiatnakin Bank Public Company Limited
					2013 - Present	First Executive Vice President Chief Governance Office Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					Apr 2015 - Present	Director	Erawan Law Office Limited
					2012 - Present	Director	Phatra Capital Public Company Limited
							Phatra Securities Public Company Limited
							KKTRADE Securities Company Limited
							Phatra Asset Management Company Limited
					May 2013 - Apr 2014	Managing Director Chief Administrative Officer	Phatra Capital Public Company Limited
					Apr - Sep 2012	Director	Kiatnakin Bank Public Company Limited
					Feb - Apr 2013	Acting President	Phatra Capital Public Company Limited
					Feb - Apr 2013	Acting President	Phatra Securities Public Company Limited
					2011 - Jan 2013	Managing Director Chief Administrative Officer	Phatra Capital Public Company Limited
					Feb 2007 - Jan 2013	Managing Director Chief Administrative Officer	Phatra Securities Public Company Limited
					2004 - Jan 2007	Executive Vice President (Office of General Counsel & Internal Audit)	Phatra Securities Public Company Limited
Other Listed Companies					None		



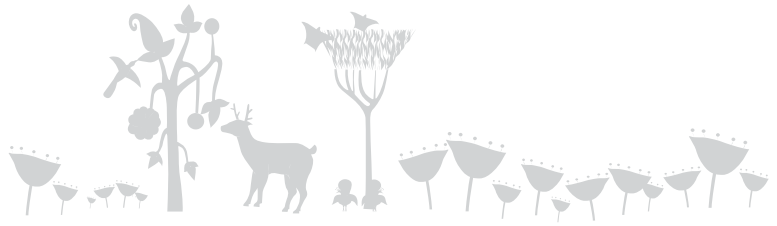
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
Non-Listed Companies							
					2009 - Present	Director	RPIC Pte. Ltd.
					2007 - Present	Founding Committee Director	Thai Company Secretary Club
					2006 - 2009	Sub-Committee on Consideration of Draft Notifications Concerning Equity Instruments	Securities and Exchange Commission of Thailand (SEC)
					2003 - 2004	Partner	White and Case (Thailand) Company Limited

*KKP share holding is included share numbers of spouse and minor children



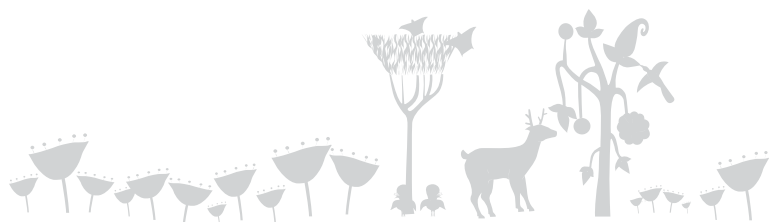
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
16. Mrs. Kulnan Tsanthaiwo • First Executive Vice President • Head of Priority Banking Group ⁿ ⁿ Appointed effective on June 1, 2014	51	• Master of Science in Computer Information System (MSCIS) New Hampshire, USA • Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Political Science Chulalongkorn University <u>Director Training Programs:</u> • Corporate Governance for Capital Market Intermediaries (CGI 8/2015) Thai Institute of Directors Association (IOD) • Corporate Governance for Executives (CGE 3/2015) Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 37/2005) Thai Institute of Directors Association (IOD)	None	None	<u>Kiatnakin Phatra Financial Group</u>		
					Jun 2014 - Present	First Executive Vice President Head of Priority Banking Group	Kiatnakin Bank Public Company Limited
					Dec 2012 - Present	Director Member of the Audit Committee	KKTRADE Securities Company Limited
					2012 - Present	Managing Director Head of Private Client Group	Phatra Securities Public Company Limited
					1999 - 2007	Head of Private Client	Merrill Lynch Phatra Securities Company Limited
					1994 - 1997	Head of Private Client	Merrill Lynch Phatra Securities Company Limited
					1990 - 1994	Head of Equity Capital Market	Phatra Securities Company Limited
<u>Other Listed Companies</u>							
None							
<u>Non-Listed Companies</u>							
None							

*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
17. Mr. Chatchai Dusadenoad • First Executive Vice President • Head of Information Technology Group ¹⁾	48	<ul style="list-style-type: none"> • Master of Science, Computer Science San Jose State University • Bachelor of Engineering (Computer Engineering) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none"> • IT Project Management (2014) CIMB Thai Bank Public Company Limited	None	None	Kiatnakin Phatra Financial Group		
					Oct 1, 2015 - Present	First Executive Vice President Head of Information Technology Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2011 - 2015	Senior Vice President	CIMB Thai Bank Public Company Limited
					Non-Listed Companies		
					2015 - Present	Director	Core Company Limited
					2015 - Present	Director	Iconic Men Company Limited
					2008 - 2011	Sr. Project Manager / Program Manager	IBM Thailand Company Limited
					2000 - 2004	Technical Solution Manager	IBM Thailand Company Limited
					2004 - 2008	Managing Director	Nova Technica Company Limited
					2000 - 2004	Professional Services Manager	Datacraft Thailand Company Limited
					1998 - 2000	Technical Services Manager	Softcontrol Company Limited
					1996 - 1998	Technical Services Manager	International Software Factory Company Limited
					1994 - 1996	Networking Department Manager	Isonet Company Limited
					1989 - 1991	System Programmer	Royal Philips Electronics Company Limited

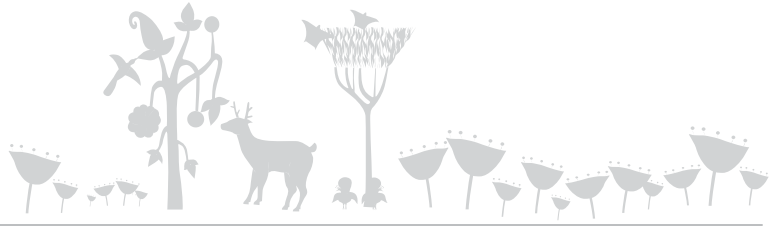
*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
18. Mr. Chavalit Chindavanig <ul style="list-style-type: none">• Member of the Risk Management Committee• First Executive Vice President• Head of Finance & Budgeting Group¹⁾ ¹⁾ Appointed effective on July 23, 2007	52	<ul style="list-style-type: none">• Master of Business Administration Eastern Michigan University, U.S.A.• Bachelor of Engineering (Mechanical Engineering) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">• Director Certification Program Update (DCPU 5/2015)• Thai Institute of Directors Association (IOD)• Corporate Governance for Capital Market Intermediaries (CGI 4/2015)• Thai Institute of Directors Association (IOD)• Monitoring the System of Internal Control and Risk Management (MIR 12/2012)• Thai Institute of Directors Association (IOD)• Monitoring the Quality of Financial Reporting (MFR 15/2012)• Thai Institute of Directors Association (IOD)• Monitoring the Internal Audit Function (MIA 11/2011)• Thai Institute of Directors Association (IOD)• Monitoring Fraud Risk Management (MFM 6/2011)• Thai Institute of Directors Association (IOD)• Audit Committee Program (ACP 37/2011)• Thai Institute of Directors Association (IOD)• TLCA Executive Development Program (EDP 2/2008)• Thai Listed Companies Association• Directors Certification Program (DCP 76/2006)• Thai Institute of Directors Association (IOD)• Director Accreditation Program (DAP 21/2004)• Thai Institute of Directors Association (IOD)	None	375,000	Kiatnakin Phatra Financial Group		
					2012 - Present	First Executive Vice President Head of Finance & Budgeting Group Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2007 - 2012	Head of Finance & Budgeting Group Member of the Executive Committee Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2011 - 2012	Head of Strategy and Organization Development	Kiatnakin Bank Public Company Limited
					2012 - Present	Director	Phatra Capital Public Company Limited
					2012 - Present	Director	Phatra Securities Public Company Limited
					2011 - Present	Director Member of the Audit Committee	Phatra Asset Management Company Limited
					2010 - Present	Member of the Audit Committee	KKTRADE Securities Company Limited
					2009 - Present	Director	KKTRADE Securities Company Limited
					2009 - Present	Director	Erawan Law Office Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

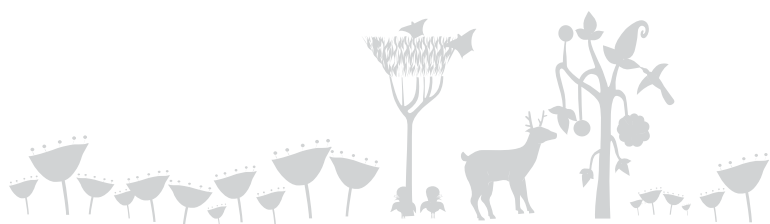
*KKP share holding is included share numbers of spouse and minor children

¹ Appointed effective on July 23, 2007



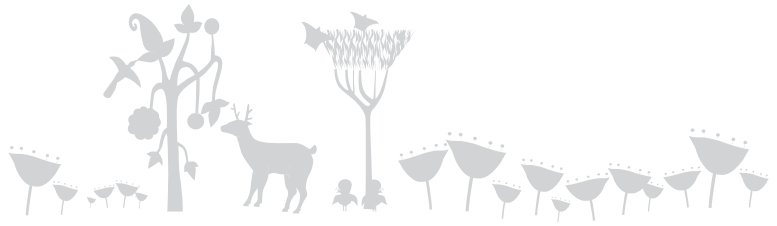
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
19. Mr.Norachet Sangruji <ul style="list-style-type: none">Member of the Risk Management CommitteeFirst Executive Vice PresidentHead of Corporate Banking Group¹⁾ ¹⁾ Appointed effective on May 15, 2015	53	<ul style="list-style-type: none">Master of Business Administration (Finance & Marketing) Syracuse University, U.S.A.Master of Science in Electrical Engineering (Telecommunication) Syracuse University, U.S.A.Bachelor of Engineering (Electrical Engineering) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD)Director Accreditation (DAP 36/2005) Thai Institute of Directors Association (IOD)	None	1,570,000	Kiatnakin Phatra Financial Group		
					May 2015 - Present	First Executive Vice President Head of Corporate Banking Group Member of the Risk Management Committee	Kiatnakin Bank Public Company Limited
					2013 - Present	Director	Phatra Capital Public Company Limited
					2010 - 2012	Executive Director	Phatra Capital Public Company Limited
					2004 - Present	Director	Phatra Securities Public Company Limited
					2007 - 2012	Executive Director	Phatra Securities Public Company Limited
					2005 - 2007	Managing Director Head of Investment Banking Group	Phatra Securities Public Company Limited
Other Listed Companies							
None							
Non-Listed Companies							
					2000 - Present	Director	Pantavanij Company Limited
					2001 - 2004	Chairman of the Executive Committee	Pantavanij Company Limited
					1990 - Present	Director	Kasetsin Company Limited
					2011 - Present	Mutual Fund working group	Association of Thai Securities Companies
					2011 - Present	Derivatives and Warrants working group	Association of Thai Securities Companies
					2009 - Present	Sub-Committee of Drafting on Announcements Regarding Issuance and offering of Securities - Equity	Association of Thai Securities Companies
					2009 - Present	Sub-Committee of Self-Regulatory organization	Association of Thai Securities Companies
2009 - Present	Head of Investment Banking Club	Association of Thai Securities Company					

*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
20. Mr. Preecha Techarungchaikul • First Executive Vice President • Head of Financial Markets Group ¹⁾ ¹⁾ Appointed effective on March 6, 2013	45	• Master of Science (Finance) University of Colorado at Denver, U.S.A • Bachelor of Business Administration (Industrial Management) Thammasat University	None	None	Kiatnakin Phatra Financial Group		
					2013 - Present	First Executive Vice President Head of Financial Markets Group	Kiatnakin Bank Public Company Limited
					<u>Other Listed Companies</u>		
					Jul 2009 - Sep 2011	Head of Trading	Siam Commercial Bank Public Company Limited
					<u>Non-Listed Companies</u>		
					Oct 2011 - Jan 2013	Head of Markets	Royal Bank of Scotland, Bangkok Branch
					Jul 2000 - Jun 2009	Head of Rates Trading	The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch

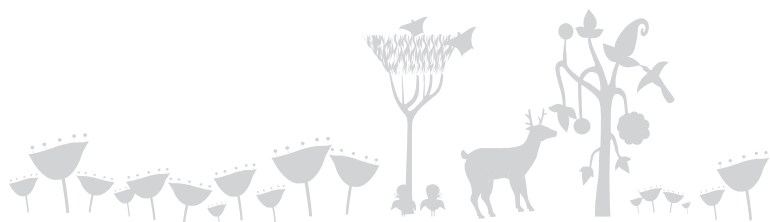
*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
21. Mr. Pansalit Trakarnkitvichit • Member of Risk Management Committee • First Executive Vice President • Head of Credit Analysis Group ⁿ	51	<ul style="list-style-type: none"> • Master of Business Administration Woodbury University, U.S.A. • Bachelor of Economics California State University, U.S.A. Director Training Programs: <ul style="list-style-type: none"> • Cash Management Ace (1999) Citibank • Intermediate Risk (1998) Citibank • Trade Finance Products (1993) Bangkok Bank • Financial Analysis for FI (1993) JP Morgan 	None	None	Kiatnakin Phatra Financial Group		
					Nov 2014 - Present	First Executive Vice President Head of Credit Analysis Group Member of Risk Management Committee	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					2009 - 2012	President	Southeast Capital Company Limited
					2005 - 2008	President	UOB Leasing (Thailand) Company Limited
					2001 - 2005	Senior Vice President	UOB Bank Public Company Limited
					2000 - 2001	Finance Manager	R.S. Cannery Company Limited
					1996 - 2000	Vice President	Citibank Bangkok Branch
					1996	Deputy Representative	National Australia Bank Limited

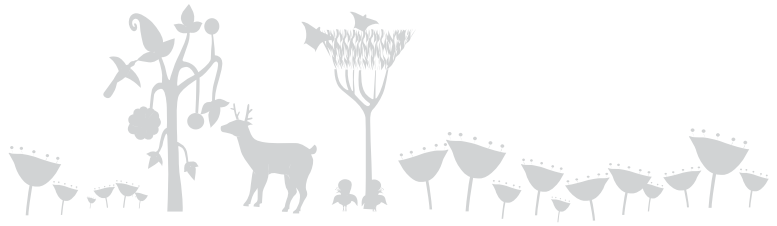
*KKP share holding is included share numbers of spouse and minor children

ⁿ Appointed effective on November 1, 2014



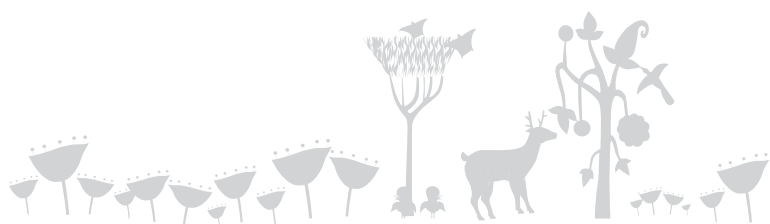
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding ¹⁾	Experience in the Past 5 Years		
					Year	Position	Company Name
22. Dr. Popanit Poommarapan • First Executive Vice President • Head of Risk Management Group ¹⁾ ¹⁾ Appointed effective on October 1, 2012	53	• Ph.D. (Engineering Management) Missouri University of Science and Technology, U.S.A. • Operations Research Wichita State University, KS, U.S.A. • Master of Science (Engineering Management) University of Louisiana at Lafayette, U.S.A. • Bachelor of Engineering (Electrical Engineering) Chulalongkorn University Director Training Programs: • Risk Management Committee Program (RMC 1/2013) Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					2012 - Present	First Executive Vice President Head of Risk Management Group	Kiatnakin Bank Public Company Limited
					2008 - 2012	Assistant Managing Director	Phatra Securities Public Company Limited
					Other Listed Companies		
					2005 - 2008	Senior Vice President	TMB Bank Public Company Limited
					Non-Listed Companies		
					None		

*KKP share holding is included share numbers of spouse and minor children



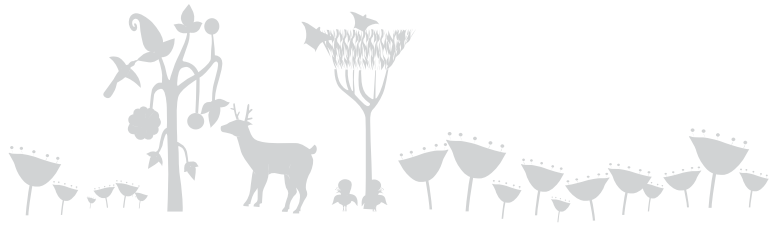
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
23. Mr. Pattarapong Raktabutr • First Executive Vice President • Head of Alternative Distribution Channel Group [†] [†] Appointed effective on December 1, 2015	47	• Master of Business Administration University of Louisville. • Bachelor of Political Science - Public Administrations Thammasat University Director Training Programs: • Leading Across Boundaries (2009) • University of Oxford • Sales School (1995) • Digital Equipment Corporation • Customer Quality Relation & Service (1994) • Telecom Asia Corporation Plc.	None	None	Kiatnakin Phatra Financial Group		
					Dec 1, 2015 - Present	First Executive Vice President Head of Alternative Distribution Channel Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2004 - Nov 2015	Executive Vice President / Head of Client Acquisition	Standard Chartered Bank (Thai) Public Company Limited
					2000 - 2004	Vice President	AIG Finance (Thailand) Public Company Ltd.
					1995 - 2000	Assistant Vice President	DBS Thai Danu Bank Public Company Limited
					1993 - 1994	Marketing Officer	Telecomasia Corporation Public Company Limited
					Non-Listed Companies		
					1994 - 1995	Manager	Digital Equipment (Thailand) Company Limited

*KKP share holding is included share numbers of spouse and minor children



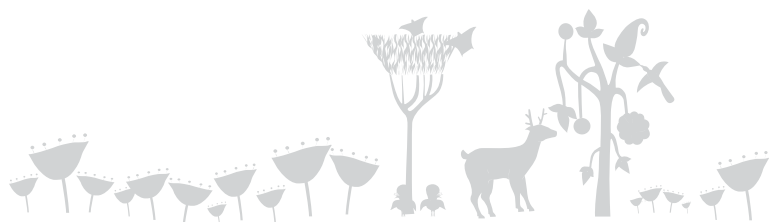
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding ¹⁾	Experience in the Past 5 Years		
					Year	Position	Company Name
24. Mr. Manit Wannavit • First Executive Vice President • Head of Sales Distribution Group ¹⁾ ¹⁾ Appointed effective on September 4, 2012	49	• Master of Public Administration National Institute of Development Administration • Bachelor of Economics Ramkhamhaeng University <u>Director Training Programs:</u> • Director Certification Program (DCP 145/2011) Thai Institute of Directors Association (IOD)	None	30,000	Kiatnakin Phatra Financial Group		
					2012 - Present	First Executive Vice President Head of Sales Distribution Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					Apr - Aug 2012	Executive Vice President, Provincial Branch Business Division, Distribution Group	Bank of Ayudhya Public Company Limited
					2010 - Apr 2012	Senior Vice President	Bank of Ayudhya Public Company Limited
					2008 - 2010	Regional Manager	Bank of Ayudhya Public Company Limited
					2007 - 2008	Deputy Regional Manager	Bank of Ayudhya Public Company Limited
Non-Listed Companies							
				None			

*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
25. Mr. Worrakrit Jaruwongpak • First Executive Vice President • Head of Operations Group ¹⁾ ¹⁾ Appointed effective on January 16, 2014	54	• Master of Business Administration National Institute of Development Administration • Bachelor of Economics Chiang Mai University Director Training Programs: • Directors Certification Program (DCP 179/2013) Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP 5/2012) Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					2014 - Present	First Executive Vice President Head of Operations Group	Kiatnakin Bank Public Company Limited
					May 2015 - Present	Chairman of the Board of Directors	CMIC Development Company Limited
					Other Listed Companies		
					2010 - 2014	Executive Vice President	Bank of Ayudhya Public Company Limited
					2007 - 2010	Senior Manager	Bank of Ayudhya Public Company Limited
					2003 - 2007	Manager	Bank of Ayudhya Public Company Limited
					1986 - 2003	Deputy Manager	Bank of Ayudhya Public Company Limited
					1983 - 1986	IT Supervisor	The Siam Commercial Bank Public Company Limited
					Non-Listed Companies		
					2009 - 2013	Director	National ITMX Company Limited

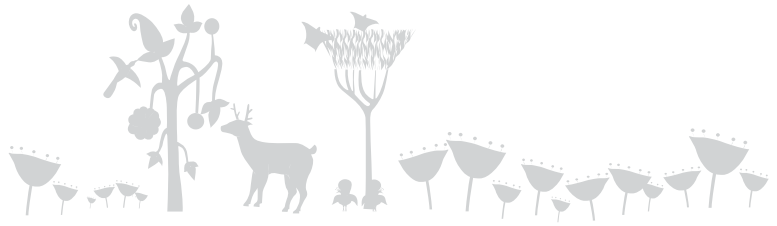
*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
26. Mr. Wittapon Jawjit • First Executive Vice President • Head of Human Resource Management Group [†]	45	<ul style="list-style-type: none"> • Master of Engineering Chulalongkorn University • Bachelor of Engineering Chulalongkorn University <p>Director Training Programs:</p> <ul style="list-style-type: none"> • Director Certification Program (DCP 190/2014) • Thai Institute of Directors Association (IOD) • Organization Behavior Analysis (2013) Mercer (Singapore) Pte. • Leadership for Regional Management Leadership Team (2010) Mercer (Australia) Pte. • MBIT Licensed Facilitator Program (2009) • Strategic Management and Business Analysis (2006) (Leadership Development Program) Mercer Global Leadership Team, San Francisco, U.S.A. • Business Process Reengineering (2000) Asia Business Forum, Singapore 	None	None	Kiatnakin Phatra Financial Group	First Executive Vice President Head of Human Resource Management Group	Kiatnakin Bank Public Company Limited
					2014 - Present		
					Other Listed Companies		
					None		
					Non-Listed Companies		
					2015 - Present	Director	Kiatnakin Bank Foundation
					2012 - Present	Director	Human Resource Capability Development Institute, Federal of Thai Industries
					2011 - 2013	Chairman	Marsh McLennan Company Group (Thailand)
					2006 - 2013	Managing Director	Mercer (Thailand) Limited
					2010 - 2013	Co – Managing Director	Mercer (Philippines) Pte.

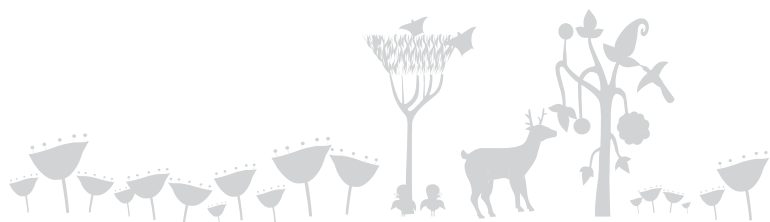
*KKP share holding is included share numbers of spouse and minor children

[†] Appointed effective on
January 16, 2014



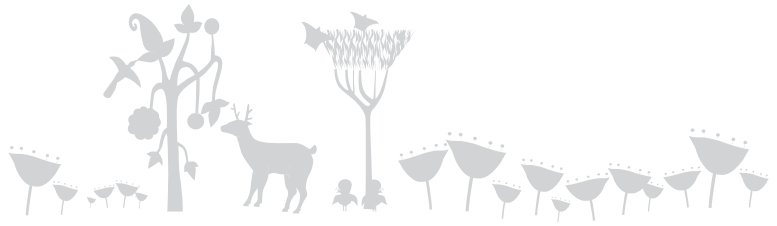
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
27. Mr.Sarawut Charuchinda <ul style="list-style-type: none">• First Executive Vice President• Head of Commercial Lending Group¹⁾ ¹⁾ Appointed effective on October 1, 2012	57	<ul style="list-style-type: none">• Master of Business Administration (Finance) University of Mississippi, U.S.A.• Bachelor of Accountancy (2nd Class Honors) Chulalongkorn University Director Training Programs: <ul style="list-style-type: none">• Advanced Audit Committee Program (AACP 19/2015) Thai Institute of Directors Association (IOD)• Directors Certification Program (DCP 31/2003) Thai Institute of Directors Association (IOD)	None	350,000	Kiatnakin Phatra Financial Group		
					2012 - Present	First Executive Vice President Head of Commercial Lending Group	Kiatnakin Bank Public Company Limited
					2011 - Present	Director and Managing Director	Erawan Law Office Company Limited
					2005 - 2012	Head of Debt Restructuring Member of the Executive Committee Member of the Risk Management Committee Member of the Main credit and Foreclosed Property Committee	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
		2012 - Present	Independent Director Member of the Audit Committee	Union Auction Public Company Limited			
		Non-Listed Companies					
		2013 - Present	Independent Director Chairman of the Audit Committee	Thai Packaging Industry Public Company Limited			

*KKP share holding is included share numbers of spouse and minor children



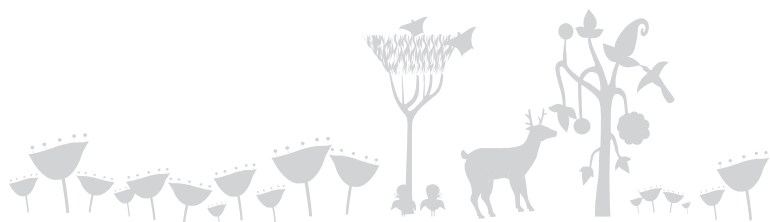
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
28. Dr. Anuchit Anuchitanukul • First Executive Vice President • Head of Process & Product Improvement and Alternative Channels Group ¹⁾ ¹⁾ Appointed effective on July 2, 2013	44	• Ph.D. (Computer Science) Stanford University, U.S.A. • Master of Engineering (Computer Science) Stanford University, U.S.A. • Master of Business Administration (Finance) Chulalongkorn University • Bachelor of Engineering (1 st Class Hons) Chulalongkorn University Director Training Programs: • Strategy and Innovation for Businesses in Asia (SIBA 2012) Massachusetts Institute of Technology (MIT) - College of Management Mahidol University • Office of Insurance Commission (OIC) (2012) OIC Advanced Insurance Institute (OIC All) • Top Executive Program in Commerce and Trade (TEPCoT 2011) University of the Thai Chamber of Commerce • TLCA Executive Development Program (EDP 2009) Thai Listed Companies Association • Directors Certification Program (DCP 93/2007) Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					2013 - Present	First Executive Vice President Head of Process & Product Improvement and Alternative Channels Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2010 - 2013	Senior Executive Vice President	Krungthai Bank Public Company Limited
					2010 - 2013	Director	Krungthai AXA Life Insurance Public Company Limited
					2009 - 2013	Director	Krungthai Panich Insurance Public Company Limited
					2008	First Executive Vice President	Krungthai Bank Public Company Limited
					2008	Executive Vice President	Krungthai Bank Public Company Limited
					Non-Listed Companies		
					2009 - 2013	Director	National ITMX Company Limited
					2007 - 2010	Director	Krungthai Computer Services Company Limited
					2007 - 2009	Director	KTB Securities (Thailand) Company Limited

*KKP share holding is included share numbers of spouse and minor children



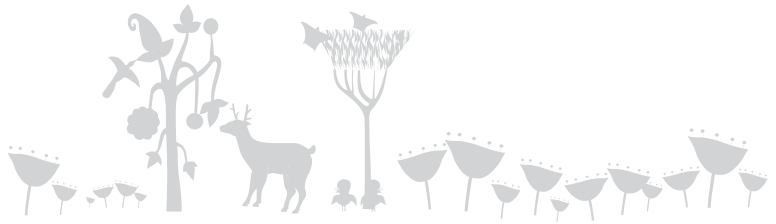
Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding*	Experience in the Past 5 Years		
					Year	Position	Company Name
29. Ms. Nilawan Treekitjamroon • Senior Vice President • Department Head of Accounting ¹⁾ ¹⁾ Appointed effective on January 1, 2015	42	• Bachelor of Accountancy Bangkok University • Certified Public Accountant registration No. 8140	None	None	Kiatnakin Phatra Financial Group		
					2015 - Present	Senior Vice President Department Head of Accounting	Kiatnakin Bank Public Company Limited
					Nov 2008 - Jul 2012	Vice President Department of Accounting	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					Jul 2013 - Apr 2014	Senior Vice President Department of Accounting	Powerbuy Company Limited, a group company of Central Retail Corporation Limited

*KKP share holding is included share numbers of spouse and minor children



Name-Surname Present Position	Age	Education/ Director Training Programs	Family Relationship with the Executive	KKP share holding ¹⁾	Experience in the Past 5 Years		
					Year	Position	Company Name
30. Ms. Pornpip Chuprakhun <ul style="list-style-type: none">• Corporate Secretary¹⁾• Senior Vice President• Department Head of Office of Corporate Secretary ¹⁾ Appointed effective on January 13, 2010	47	<ul style="list-style-type: none">• Master of Business Administration Assumption University• Bachelor of Art (Political Science) Kasetsart University <u>Training Programs:</u> <ul style="list-style-type: none">• Compliance Officer (7/2014) Faculty of Law, Chulalongkorn University• Fundamental Practice for Corporate Secretary (FPCS 23/2011) Thai Listed Companies Association• Board Reporting Program (BRP 1/2009) Thai Institute of Directors Association (IOD)• Company Secretary Program (CSP 17/ 2006) Thai Institute of Directors Association (IOD)• Effective Minute Taking (EMT 2/2006) Thai Institute of Directors Association (IOD)• Corporate Secretary Development Program (11/2005) Faculty of Commerce and Accountancy	None	59,001	<u>Kiatnakin Phatra Financial Group</u>		
					2011 - Present	Senior Vice President, Department Head of Office of Corporate Secretary	Kiatnakin Bank Public Company Limited
					2010 - Present	Corporate Secretary	Kiatnakin Bank Public Company Limited
					2008 - 2010	Vice President, Office of the Directors	Kiatnakin Bank Public Company Limited
					<u>Other Listed Companies</u>		
					None		
					<u>Non-Listed Companies</u>		
					None		

*KKP share holding is included share numbers of spouse and minor children



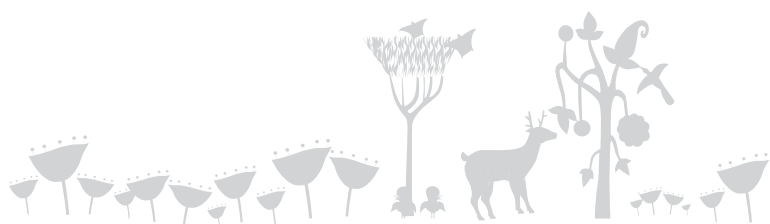
Directorship of Directors and Executives in Subsidiaries, Associated Companies and Related Companies

Name		Kiatnakin Bank Public Company Limited																		Position		Related Companies																	
																				Subsidiaries & Associated Companies																			
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33					
1	Mr. Supol	Wattanavekin	Chairman																																				
2	Mrs. Dayana	Bunnag	Director				/								/						X				/														
3	Assoc. Prof. Manop	Bongsadadt	Director							/					/					/																			
4	Mr. Chet	Pattrakorkul	Director																																				
5	Mr. Pravit	Varubangkul	Director																																				
6	Mr. Pongtep	Polanun	Director										/																					/					
7	Mr. Tarnin	Chirasoonon	Director																																				
8	Mr. Suraphol	Kulsiri	Director																																				
9	Mr. Suvit	Mapaisansin	Director										/					/																/	/				
10	Mr. Banyong	Pongpanich	Director, Chairman of the Executive Committee																																/				
11	Mr. Aphinart	Kiewpatthond	Director, Chief Executive Officer and President																																/				
12	Mr. Kritiya	Veerabutus	Director, Chairman of Capital Market Business, First Executive Vice President, Head of Corporate Strategy																																/				
13	Ms. Thilnan	Wattanavekin	Director																																				
14	Mr. Pracha	Chumnamkiksol	Director, First Executive Vice President, Head of Special Asset Management Group																																				
15	Mrs. Patrarnorn	Millindasuta	Director, First Executive Vice President, Chief Governance Officer																			/													/				
16	Mrs. Kulnan	Tsanthaiwo	First Executive Vice President, Head of Priority Banking Group																			/																	
17	Mr. Chatchai	Dusdenard	First Executive Vice President, Head of Information Technology Group																																/				
18	Mr. Chavalt	Chindavng	First Executive Vice President, Head of Finance and Budgeting Group																			/																	
19	Mr. Norachet	Sengruji	First Executive Vice President, Head of Corporate Banking Group																																				
20	Mr. Preecha	Techarungcheikul	First Executive Vice President, Head of Financial Markets Group																																				
21	Mr. Pansalit	Trakanitvivichit	First Executive Vice President, Head of Analysis Credit Group																																				
22	Dr. Popanit	Poommarapan	First Executive Vice President, Head of Risk Management Group																																				
23	Mr. Patarapong	Raklabutr	First Executive Vice President, Head of Alternative Distribution Channel Group																																				
24	Mr. Manit	Wannavanit	First Executive Vice President, Head of Sales Distribution Group																																				
25	Mr. Worakit	Janwongpak	First Executive Vice President, Head of Operation Group																																				
26	Mr. Wittapon	Jawjit	First Executive Vice President, Head of Human Resource Management Group																																				
27	Mr. Sarawut	Chanachinda	First Executive Vice President, Head of Commercial Lending Group																				/											/					
28	Dr. Anuchit	Anuchitanukul	First Executive Vice President, Head of Process and Product Improvement and Alternative Channels Group																																				
29	Ms. Nilaan	Treetkiamoon	Senior Vice President, Head of Accounting Department																																				

Remark: 1. X = Chairman / = Director // = Executive Director * = Authorized Director

2. Related Company means Party entity definition may conflict under the Securities and Exchange Commission

1. Phatra Capital Public Company Limited
2. Erawan Law Office Company Limited
3. KKRATRADE Securities Company Limited
4. Phatra Securities Public Company Limited
5. Phatra Asset Management Company Limited
6. CMI C Development Company Limited
7. Metropolitan Electricity Authority
8. The Kungthep Thanakom Company Limited
9. Kasetin Company Limited
10. Core Company Limited
11. K S P Square Company Limited
12. GMM Grammy Public Company Limited
13. Cellerium (Thailand) Company Limited
14. The Erawan Group Public Company Limited
15. The Palm Chaam Company Limited
16. Don Muang Tollway Public Company Limited
17. Techcare International Company Limited
18. Ocean Life Insurance Public Company Limited
19. BTMU Leasing (Thailand) Company Limited
20. Bulun buri Company Limited
21. Pantavarij Company Limited
22. Muang Thai Insurance Public Company Limited
23. Ruamwanthana Company Limited
24. Tubkaew-Horl and Nursery Kindergarten Company Limited
25. Worakul Property Public Company Limited
26. Squire (Thailand) Company Limited
27. Union Auction Public Company Limited
28. Golden Lime Public Company Limited
29. Thai Packaging Industry Public Company Limited
30. Advanced Information Technology Public Company Limited
31. Iconic Men Company Limited
32. RPIC Pte. Ltd.
33. Ruamphon Phatra International Corp.

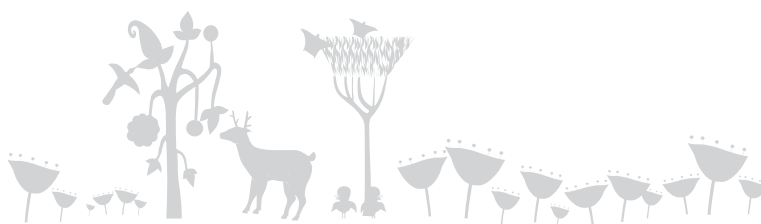


Directors of Subsidiaries

Subsidiaries / Directors			Phatra Capital Public Company Limited	Phatra Securities Public Company Limited
1	Mr.Banyong	Pongpanich	X	X
2	Mr.Suvit	Mapaisansin	/*	/*
3	Mr.Veravat	Chutichetpong	/	/
4	Dr.Supavud	Saicheua	//*	//*
5	Mr.Aphinant	Klewpatinond	/*	/*
6	Mrs.Patchanee	Limapichat	//*	//*
7	Mr.Norachet	Sangruji	//*	//*
8	Ms.Thitinan	Wattanavekin	/	/
9	Mr.Chavalit	Chindavanig	/*	/*
10	Mrs.Patraporn	Milindasuta	/*	/*
11	Mr.Krittiya	Veeraburus	//*	//*
12	Mr.Trairak	Tengtrirat	//	//

Remark:

1. X = Chairman / = Director // = Executive Director * = Authorized director
2. Subsidiary means a subsidiary as a significant revenue more than 10 percent of the consolidated total income of the financial year.



Personnel

Human Resources is the utmost important resource of the organization and the key to organization success and sustainable growth. Employees are not only the closest business partners, but they are also regarded as members of the Group.

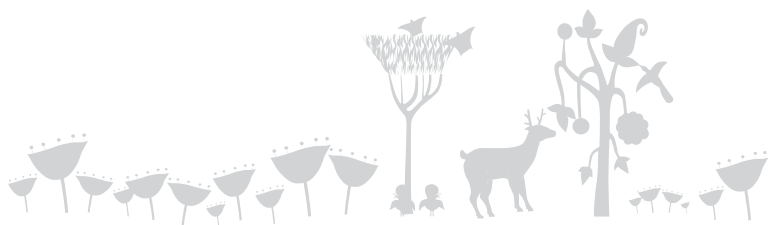
In 2015, the Bank implemented key transformation initiatives such as branch rationalization, branch re-engineering, setting up new functions and streamlining work processes to be more efficient to support the Bank's policy and business direction, which focused on providing alternative channels and product coverage to create more opportunities for prospects and potential clients, as well as to utilize synergies of the Group. As of December 31, 2015, the Group employed 4,127 personnel. Details are as follows:

The Group	Number of Personnel	
	2014	2015
Kiatnakin Bank Public Company Limited	3,238	3,357
Erawan Law Office Company Limited	106	106
Phatra Capital Public Company Limited	49	53
Phatra Securities Public Company Limited	303	309
KKTRADE Securities Company Limited	241	243
Phatra Asset Management Company Limited	47	44
CMIC Development Company Limited	N/A	15
Total	3,984	4,127

In 2015, the number of personnel of the Group increased by 143 from the previous year, equivalent to 3.59% growth of head-count.

Internal Capabilities Development

The Bank has been focusing on development of internal capabilities to ensure its readiness for competition and to support sustainable growth. Hence, human resource strategy, policy and vision are critical for achieving strategic business goals. The Group focuses on identifying and recruiting highly qualified personnel, and subsequently developing our workforce so that they can acquire the required knowledge and competencies. With the internal capabilities and dedication of our personnel, we can deliver the best services and products to our clients. The Bank also emphasizes on providing a very competitive compensation scheme which ensures internal equity and external competitiveness. Furthermore, the Bank thrives to promote a good corporate culture, work environment and relationships, knowledge-sharing, equality, diversity and respect for individual rights.



Human Resources Policy

(1) Personnel Recruitment and Selection

The Bank has employed state-of-the-art technology and various channels and networks to reach its target qualified candidates for the required vacancies, strengthening and expanding the gateway/ network to the prospective labor market which supports its business needs and increases its competitiveness in the labor market. In a severely competitive environment for a quality workforce, it is important to ensure efficiency in the recruitment and selection process. Hiring managers and interviewers are well-trained to leverage their interviewing and selection skills. Furthermore, the Bank has placed importance on the development of a competency-based selection process, applying the latest recruitment tools to assess candidates' qualifications, skills and potential as well as attitude, ethics and creativity to identify professionals for the respective positions.

(2) Career Management

To motivate employees and build up the organization's strength, every employee has the opportunity for career progression, both vertically and horizontally. The Bank promotes and supports "Internal promotion" for available/ vacancy job positions. Should there be no best candidates within the organization, hiring from outside will be considered. The Promotion's criteria have been established and comprehended, and promotion is conducted twice a year. Promotion criteria have been established, communicated and comprehended by all employees.

(3) Performance Assessment

The Bank annually appraises its employees' performance, with emphasis on the assessment of their work competency, skill development and capability to achieve assigned goals and comply with prescribed policies. The appraisal process is transparent, fair and undiscriminating. The Bank has applied various appraisal methods to assess employee performance such as performance appraisals from line supervisors and 360 degree evaluations, where applicable.

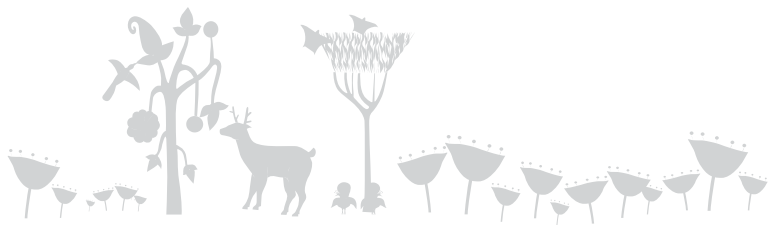
The Bank's key assessment objectives are not limited to performance appraisal, but also focus on using practical tools to assess and improve internal work processes. The annual appraisals are used as a vital methodical tool ensuring the Bank's standard of work and service quality, particularly the services provided to clients and other related parties. At the same time, appraisal outcomes are regarded as good feedback to employees, providing information on required on-going self-improvement, competency enhancement and career development programs. It is also an important tool for the Bank in selecting and retaining good performers by selecting and applying proactive measures.

(4) Performance Management

The Bank's performance management system aims to promote employee dedication to provide best services to internal and external clients and mutual understanding between supervisors and subordinates. Performance management is an important and fundamental responsibility of all supervisors, who are held accountable for supervising, developing and providing continuous feedback and coaching. It is mandatory for all supervisors to comprehend concept, processes and system of performance management. In 2015, the Bank continued to carry on the development programs for employees who act as supervisors by providing more knowledge and understanding of the HR role so that they can be trainers of the next generation through HR for Non-HR program to enhance the awareness and understanding of system, principle, work process and performance management areas.

(5) Employee Compensation and Benefits

The Bank strives to promote internal equity and fairness in human resource management, particularly in managing compensation and benefits. The core of our compensation philosophy is Pay-for-Performance. However, the Bank also emphasizes the importance of non-monetary components of compensation such as job characteristics/ fulfilment, job value, performance recognition, safety and security of our employees. This is to ensure that our employees consider



the Bank as a happy workplace, which provides fair and competitive compensation systems.

Employee's compensation consists of three components:

1) Direct Monetary Compensation

Monetary compensation is structured based on the employee's job scope, competency and performance, and will be explicitly rewarded to employees in the form of salary and other monetary forms which reflect performance in assigned roles. As such, employees who deliver required performance will be entitled to salary increase/adjustment, bonus, incentives and other related monetary rewards. Furthermore, the Bank also provides job-related allowances such as hotel allowance, shift allowance, weekend shift allowance, auto insurance allowance, etc. in accordance with the job title.

2) Indirect Monetary Compensation

To ensure that employees have good morale and work-life balance, the Bank provides several welfare and benefits such as provident fund, social securities, life, accident and total permanent disability insurance, staff loan, retirement benefit, annual medical checkup and first aid room, and other fundamental benefits.

Provident Fund

The Bank set up its employee provident fund in compliance with the Ministerial Regulation No.162 (B.E. 2526), and with the intention to provide its employees with welfare and benefits that:

(1) Promote employee savings

(2) Establish a safety net mechanism for employees and their families

The provident fund has been registered in compliance with the Provident Fund Act B.E. 2530 under the name "Kiatnakin Registered Provident Fund". The details and contribution scheme are presented below.

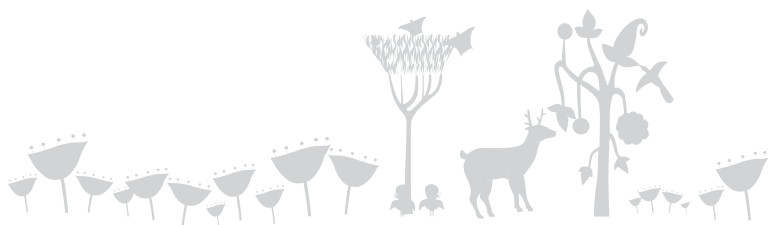
Year of Service	Employer's Contribution (% of Salary)
Less than five years	5
five years and more	10

The Fund's investment policy has been considered by the Provident Fund's Committee which is elected by members and employer representatives. The Provident Fund's Committee shall be in position for two years and has authority and responsibility in monitoring fund performance, including determining appropriate investment policy as a member representative. Currently, the Provident Fund consists of three investment policies comprising 100% Debt Policy, Mixed 85% Equity 15% Debt Policy and Mixed 75% Equity 25% Debt Policy. In order to broaden choices for employees to better suit their needs and saving goals, the provident fund allows members to switch their investment policy twice a year during the months of January and July.

Other Welfare & Benefits

• Health Care

The Bank provides health care for employees in the form of group health insurance through the selected insurer, which provides good services and good hospital/ clinic networks to ensure employees' convenience in accessing required treatments. In addition, employees are allowed to buy group health insurance for their families at a corporate rate, which is lower than individual personal insurance premiums. This is an alternative for providing accessibility to medical treatments to employees' families at reasonable cost. Furthermore, the Bank has provided annual preventive medical checkup for employees and also arranged a treatment first aid room, including a Mother Corner room, at its head office with an in-house specialized doctor two days a week.



- Life, Accident and Total Permanent Disability Group Insurance

To ensure that employees have security and work-life balance, as well as to strengthen employees' morale and minimize any impacts on their families from undesirable incidents, the Bank provides 24-hour insurance coverage both inside and outside of working hours.

- Staff Loan

The Bank has implemented housing loans for employees in order to secure their living.

3) Non-monetary Compensation

In addition to direct and indirect monetary compensation, the Bank provides other compensation to promote and develop employees' capability such as challenging job assignments, personal development through training programs and other systems, flexible work time and employees' activities within the Bank and the Group.

Organization Development

(1) Training

The Bank intends to support skill and knowledge development of all employees, as well as to foster positive work attitudes that help enhance trustworthiness and expertise. The overall concept of the Bank's training programs is to develop work skills, knowledge, core competency, functional competency and leadership competency. From 2015, the Bank has been supporting its employees to attend various training programs ranging from generic to specialized development objectives, both conducted in-house and outside. The Bank employs various learning solutions such as workshops, lectures, E-learning and also the leadership programs in practice, all of which are conducted by knowledgeable and experienced facilitators. The Bank encourages its staff to enhance knowledge and gain experience to fulfill their tasks creatively and effectively, which shall eventually increase value to the Bank. For training in the year 2015, employees of the Bank had 4.59 training days on average.

In addition, Bank has initiated more learning intervention through projects, for example, KKP's Got Talent to promote employees' talents by stimulating their functional expertise, creativity and leadership skills to create innovative projects for the Group, and to promote a culture of collaboration and assertiveness. Next, KKP Edge Project is a learning program for employees in different key functions whose responsibilities are related and cooperative to produce mutual understanding, respect and the same mission.

(2) Knowledge Management

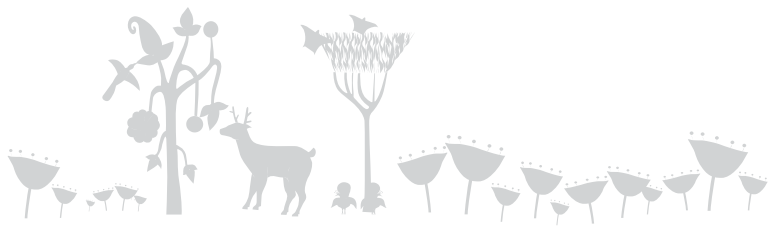
In our Bank, every department amasses and exchanges work-related knowledge and experience, which leads to development of a knowledge database. This invaluable asset is used to initiate improvement and to promote innovation within the departments.

(3) Succession Plan

The Bank follows the succession plan policy and has continuously reviewed and revised the succession plan for its directors and top executives. In 2015, the Bank surveyed, assessed and developed capable employees, who can be successors to senior executives, to ensure a long-term leadership pipeline for the Bank. The succession plan is annually reported to the Board of Directors.

Internal Communication

The Bank has placed highly-efficient communication systems for all employees such as the intranet (KK world), KK SMS for sending short messages to employees, KK VDO conference for long-distance conferences, as well as posters to ensure that employees will have all information available for internal and external uses. The internal communication channels are also venues for the exchange of ideas and are communication channels between employees and management. This helps foster an atmosphere of cooperation at work and creates an open-minded working environment, promoting the good image of the organization and supporting the Bank to achieve its business projections.



Corporate Governance Policy and Practices

Corporate Governance Policy

Realizing its responsibility towards all stakeholders, the Board of Directors has continually run the business in line with corporate governance principles. The Board of Directors therefore has approved the Bank's Corporate Governance Principles and annually reviews it in order to maintain practical guidelines in the business operation and in order to improve the standard of the Bank's corporate governance to be more comparable with international standards. The Bank's Corporate Governance Principles are comprised of five sections as follows:

Section 1: Rights of Shareholders

Section 2: Equitable Treatment of Shareholders

Section 3: Role of Stakeholders

Section 4: Disclosure and Transparency

Section 5: Board Responsibilities

The Board of Directors and the management strongly believe that good corporate governance will enable the Group to have a proper management system with efficiency, transparency, accountability, and fairness to all related parties, and allow the company to build trust and increase competitiveness under a system of good ethics and social responsibility. This will build strong stability and a long-term foundation for the Group. For that reason, the practice of Corporate Governance Principles is one of the prime missions of the Board of Directors, the management, and employees in order to benefit the Group, shareholders, clients, stakeholders and society. The Bank discloses its Corporate Governance Principles on its website (www.kiatnakinphatra.com) as well as widely communicating these principles to executives and employees via its intranet system (KK World) to ensure better understanding and strict compliance on the principles.

Corporate Governance Practices

The Board of Directors pays great attention and commits to conduct its business according to good corporate governance principles as prescribed by the relevant

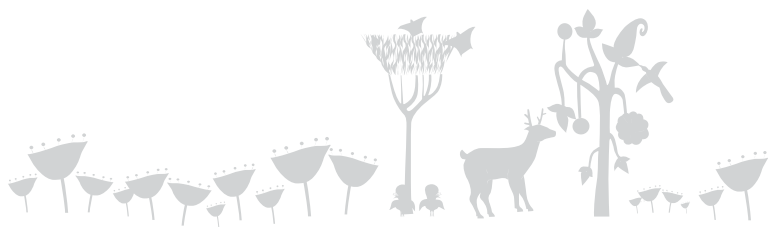
supervision authorities. This attentiveness and commitment has enabled the Bank to achieve numerous governance honors and awards, such as the following:

- Rated as "Excellent" for the arrangement of the Annual General Meeting of the Shareholders for 2015 with the full assessment scores by the Thai Investors Association, the SEC and Thai Listed Company Association (nine consecutive years)
- Rated as "Excellent" from the annual corporate governance survey for 2015 of Thai Institution of Directors (IOD)
- Selected as one of 51 listed companies that have passed the assessment process in sustainability by the SET and nominated as one of the "2015 Thailand Sustainability Investment" list of companies.

In 2015, the Bank's implementations according to all five sections of the SET's Principles of Good Corporate Governance for Listed Companies are as follows:

1. Rights of Shareholders

The Board of Directors has established the Bank's Corporate Governance Principles regarding the statutory rights of shareholders. The principles embrace the right to attend shareholders' meetings, the right to appoint a third party as a proxy for attending and voting at meetings, the right to vote on the election or removal of each individual director, the right to vote on directors' remuneration annually, the right to appoint the external auditors and vote on the annual audit fees, and the right to obtain adequate information, participate and vote in shareholders' meetings if there are any significant corporate changes. In addition, the Bank provides shareholders the right to express an opinion and raise questions during shareholders' meetings, the right to propose agenda items for shareholders' meetings, the right to nominate directors, the right to be involved in improving the Bank's business performance, the right to share in the Bank's profit and the right to receive sufficient and up-to-date information in a timely manner.



1.1. The Bank facilitated shareholders to fully exercise their rights by attending and voting in shareholders' meetings.

The Bank's Annual General Meeting of Shareholders ("AGM") was held within four months of the end of the fiscal year. An extraordinary general meeting of shareholders may be called if there is any urgent proposal which requires shareholders' approval. In 2015, the AGM was held on April 23, 2015, which was not on a commercial bank holiday, at the Conrad Hotel Bangkok, which offered convenience in transportation for shareholders. During 2015, the Bank called no extraordinary general meeting of shareholders.

The Bank fully facilitated all shareholders, including institutional shareholders, to attend the AGM. On the AGM day, the registration was open not less than two hours before the AGM commenced; an appropriate venue was selected; ample staff was present to help shareholders and proxies register; the barcode for registration and vote-counting systems of Inventech Systems (Thailand) Company Limited was used to facilitate shareholders; and duty stamps were provided for authorization of proxies.

The notice of AGM clearly informed shareholders of all necessary documents and the Bank's Articles of Association relevant to the shareholders' meeting to maintain their legitimate rights for attending the AGM and proxy forms, allowing shareholders to appoint a third party or the Banks' independent director as their proxies.

Moreover, the Bank prepared all AGM documents in English versions, which were disclosed concurrently with the Thai versions, for foreign shareholders. The Bank also gave those shareholders who showed up after the AGM commenced the chance to vote on agenda items still under deliberation.

1.2 The Bank provided advance and complete information on the AGM to shareholders.

The Bank's AGM was arranged in compliance with the AGM checklist of the Thai Investors Association. For instance, the Bank posted the notice of AGM along with information for each agenda item not less than thirty days prior to the AGM date and assigned TSD, the registrar, to

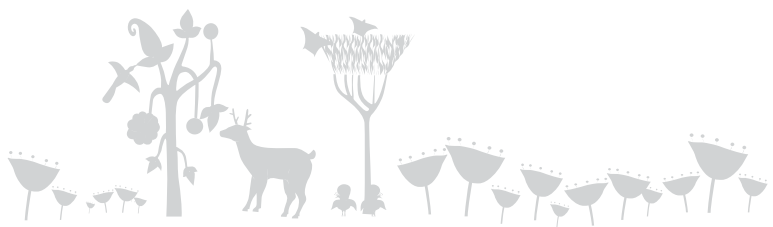
arrange delivery of the notice of AGM to shareholders by post not less than twenty-eight days prior to the AGM date. The notice of AGM was published in both daily Thai and English newspapers for three consecutive days. The Bank provided a complete agenda and sufficient information for voting on all agenda items, each of which was identified clearly as either for acknowledgement or consideration together with opinions of the Board of Directors on particular issues. For example, for the dividend agenda, the Bank disclosed its dividend payment policy, dividend amount proposed for consideration, supporting reasons and dividend payment information in comparison with the previous year. For the director election agenda, the Bank provided complete profiles of persons proposed to be elected as directors. For directors' remuneration agenda, besides types and amount of remuneration proposed, the Bank provided information on policy and guidelines for considering directors' remuneration. For the auditor appointment agenda, the Bank disclosed complete details of proposed auditors including their names, audit firm, experience, independency and remuneration.

1.3 The Bank allowed shareholders to submit questions relevant to shareholders' meeting agendas in advance.

For the shareholders' ultimate benefit from the shareholders' meeting, once the meeting date had been announced, the Bank allowed shareholders to submit questions relevant to the shareholders' meeting agendas. In order to fully reserve shareholders' rights, the Bank disclosed the criteria for submission of questions in advance on its website. Shareholders were allowed to submit questions via the Bank's website, registered post or facsimile to the Bank's Corporate Secretary, who gathered, reviewed and proposed questions submitted by shareholders to the Chairman of the Board of Directors and the Board of Directors for consideration.

1.4 The Bank allowed shareholders to propose agenda items for the AGM and to nominate directors.

The Bank provided opportunity for shareholders to propose agenda items for the AGM and nominate directors before the notice of AGM was issued. For the 2015 AGM,



the Bank allowed shareholders to propose agenda items and nominate directors in advance approximately three months prior to the end of its fiscal year, during October 7, 2014 to December 31, 2014. The Bank announced this opportunity via the SET's channel and also disclosed the guidelines for shareholders to propose agenda items and nominate directors on its website. However, no agenda items were proposed for the 2015 AGM and neither was any director nominated by any shareholder during the above-mentioned period.

The Board of Directors is responsible for determining the appropriateness of the agenda items proposed by shareholders and such agenda proposals must be in line with the Bank's criteria, unless otherwise stated by the Board of Directors. The Board of Directors' resolution is considered final.

In the case where many shareholders propose related agenda items, the Board of Directors may combine them into one agenda item. The proposals, which are approved by the Board of Directors, along with the Board of Directors' opinion will be included as agenda items in the notice of AGM. For the proposals which are not approved by the Board of Directors, the Bank will inform the shareholder(s) after the Board of Directors' meeting and before the shareholders' meeting via its website or other appropriate channels.

1.5 Shareholders may grant proxies for shareholders' meeting.

The Bank allows shareholders who cannot attend the shareholders' meetings to appoint a third party or the Bank's independent director as their proxies and vote on their behalf. The proxy forms, on which shareholders are able to specify their votes, are provided together with the notice of AGM. Shareholders can also download proxy forms from the Bank's website. Furthermore, the Bank clearly informs shareholders of all necessary documents for granting proxy and avoids requiring any condition which makes proxy granting be complicated.

For the AGM, the Bank proposes its independent directors as an option for shareholders who cannot attend

the shareholders' meetings to appoint as their proxies. For the 2015 AGM, the Bank proposed two independent directors to shareholders for granting proxies. 176 shareholders, representing 108,848,337 shares, appointed the Bank's independent directors as their proxies.

1.6 The Bank encourages directors and executives to attend shareholders' meetings to provide information and answer questions.

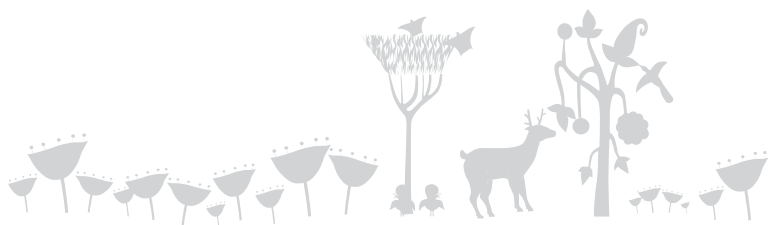
The Bank has a policy encouraging the Chairmen of the Board of Directors, the Audit Committee and Nomination and Remuneration Committee, CEO, President, heads of business and supporting groups, senior executives and auditors to participate in all AGMs to provide additional information and answer questions to shareholders. In 2015, all Chairmen of the Board of Directors and committees under the supervision of the Board of Directors, CEO, President, heads of business and supporting groups, senior executives in charge of finance and auditors were present at the AGM.

1.7 An appropriate meeting time is allocated and shareholders are supported to express their opinions.

Before considering the agenda items, shareholders are informed about the meeting rules, voting and vote-counting procedures, and how to express opinions, give suggestions and raise questions relevant to the Bank during the shareholders' meetings. The Chairman of the Board of Directors, acting as the Chairman of the AGM, runs the meeting in accordance with the agenda items specified in the notice of AGM without adding any other agenda item which is not notified to shareholders in advance. During the AGM, the Chairman provides appropriate time for discussion and opportunity for shareholders to equally express their opinions and make inquiries and requests relevant to the Bank. The Chairman also provides complete information to shareholders.

1.8 Comprehensive minutes of shareholders' meetings are recorded.

Comprehensive minutes of the 2015 AGM were recorded. It included names of directors and executives attending the AGM, voting and vote-counting procedures, key discussion issues, questions raised, clarifications,



comments, resolution results and complete voting results (for/ against/ abstaining) of each agenda item.

The Bank disclosed in a timely manner the resolutions of the 2015 AGM via the SET's channel, delivered the minutes of the AGM to the regulatory agencies within fourteen days of the meeting date, and disclosed such minutes on its website.

2. Equitable Treatment of Shareholders

The Group respects and values the importance of equitable treatment of shareholders. The Group treats shareholders equitably for participating in shareholders' meetings, receiving information and voting by one share for one vote. The shareholders who have a business stake-holding in any agenda item have no right to vote on such agenda item.

2.1 Transaction with Related Persons or Connected Transactions

The Group does not encourage any transaction entered into between the Group and directors, executives, major shareholders and related persons. This is to avoid any potential conflict of interest among the Group and those persons. However, in the course of doing business, it may be necessary for the Group to enter into such transactions. This is to be done within the procedures and framework of regulations of such matters. In order for the Bank to enter into any connected transaction and where there is the possibility of a conflict of interest, this transaction must go through a rigorous process of consideration, which must be clear, free from bias and within the boundaries of good ethical practices, keeping in mind the importance of its being beneficial to both the Group and shareholders.

The Group's directors and executives who have an interest in any transaction or matter affecting the Group do not participate in the decision-making process on such issues for the utmost benefit of the Group.

The Bank's Audit Committee has authority in considering any transaction that involves directors, executives, major shareholders and their related persons so as to avoid any conflict of interest between the Bank and the related parties. The Audit Committee has a duty to review the disclosure of

information or details of any transaction, which may cause conflict of interest and/ or with related parties, to ensure its accuracy, completeness and compliance with laws and regulations. In the previous year, the Bank did not violate any regulations regarding connected transactions.

The Group requests its directors and executives including their spouses and offspring under the legal age to maintain their securities trading account with securities companies in the Group. The securities trading transactions with directors and executives must be on an arm's-length basis without taking unfair advantage of anyone through unethical or illegal means. The transactions must be entered into in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other similarly situated clients.

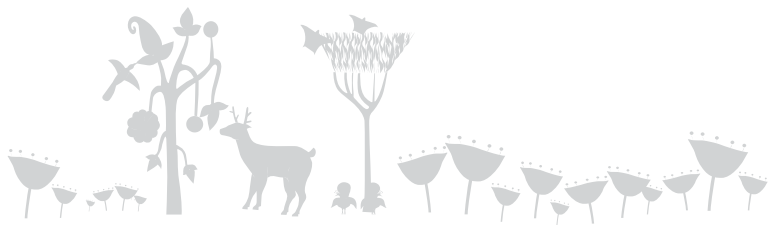
3. Role of Stakeholders

The Group, with acknowledgement of the right of all stakeholders, has a policy to manage impacts from business operations in all aspects. It projects to ascertain for all related parties that its business has taken into consideration environmental concerns for sustainable development. In addition, this is to ensure that all stakeholders, both internal stakeholders, i.e. employees, executives and subsidiaries, as well as external stakeholders, are fairly treated.

The Bank has a policy for conducting business with a responsibility towards society so that directors, executives and employees of the Bank had guidelines for performing their duties responsibly for society in ten areas. These consist of good corporate governance, fair operations, anti-corruption, respecting human rights, fair treatment of employees/labor, responsibility to consumers, community and social development participation, environment management, innovations and dissemination of CSR innovations and sustainability reporting.

3.1 Stakeholders' Involvement to Enhance the Operation of the Bank

The Bank's website has been developed so that it can become another channel through which the stakeholders can participate to enhance the operation of the Bank. All stakeholders, including clients, counterparties, competitors,



employees, shareholders and creditors, can send suggestions to the Bank's management via its website in order to create wealth, financial stability and sustainability.

3.2 Channels for Complaints and Whistleblower Protection

The Bank has arranged for a reporting channel for whistleblowers, e.g. the report on the accuracy of financial reports, deficient internal controls or any illegal or unethical activities or any suspected corruption or improper behavior of all employees. The Bank's employees and other stakeholders can communicate these actions to the Bank through electronic email to independent directors (Independent_director@kiatnakin.co.th), or the Bank's branch and Contact Center (Tel. 0-2165-5555). Moreover, the Bank's employees can directly contact the Bank's Chairman of the Board of Directors, CEO, President or Chief Governance Officer (CGO) to file complaints on wrongdoing as such.

The Bank has set the whistleblower protection process and will not commit any unfair treatment on all employees, temporary staff or contract staff who have reported any suspected acts. The Bank has realized the importance of keeping reported information and evidence confidential. The whistleblowing information will be acknowledged only among the responsible parties or only be disclosed by law as stipulated. In addition, the whistleblowers can submit a complaint confidentially. The Bank will execute complaints received according to its whistleblowing process as well as investigation and disciplinary regulation.

3.3 Stakeholder Treatment Guidelines

The Board of Directors ensures all stakeholders are well and fairly treated according to their statutory rights and agreements with the Bank. Therefore, it has defined guidelines for treatment with various stakeholders in its Corporate Governance Principles which can be summarized as follows:

Role, Practice and Responsibilities of the Bank towards Shareholders

The Group aims for good business performance, competitive capability and steady growth and takes into account the current and future risks in order to add value to

shareholders in the long term. The Group has duties to operate businesses, disclose information transparently and fairly to all shareholders - both major shareholders and minorities - for the utmost benefit of shareholders as a whole and try its best to protect the assets and reputation of the Group.

Role, Practice and Responsibilities of the Bank towards Clients

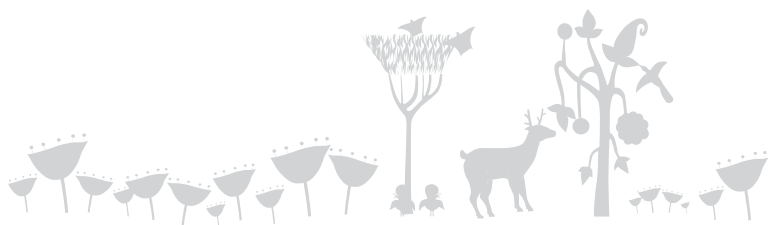
The Group realizes that clients' satisfaction and confidence in the Group are essential. Thus, the Group strives to provide best-quality products and services to clients by keeping in mind their needs and benefits; to provide complete and accurate information about products and services without any distortion of fact; to implement no practice that is unjust; to ensure that clients are consistently treated in accordance to terms agreed with care and honesty; and to respect clients' information privacy. The Group does not release client information to third-parties, except upon a client's authorization or when permitted or required by law and does not sell or rent clients' personal information. The Group's employees do not discuss their clients with any other employees not relating to the matter. The Group abides by all legal regulations and additional rules in regard to clients' information.

In addition, the Group welcomes clients' complaints on products and services. Upon receipt, such complaints are investigated and remedial actions are provided promptly.

Role, Practice and Responsibilities of the Bank towards Employees

All employees of the Group are valued resources and a key success factor in its business operation. Therefore, training is continually provided on a regular basis throughout the organization to encourage the development of skills and capabilities of employees to enhance their potential to be comparable to the standards of other leading firms in the industry and to partake in the development of the Group to be a leading financial institution that can provide good services to clients.

The Bank has in place a system of appointment, transfer as well as rewards and punishments based on the knowledge, capability and suitability of employees.



The Bank respects the human rights of every employee by respecting the rights of each employee and individual and maintaining secrecy on personal information. The Bank does not tolerate discrimination on the grounds of race, nationality, religion, gender, age, disability, sexual orientation and any other form of illegal discrimination.

The Bank has arranged for a system of remuneration and benefits accordingly and equivalent to standards of other firms in the same industry and also provides retirement compensation adequate for a secure life. Welfare for the Bank's employees includes provident fund, social security fund, group health insurance, group life insurance, group accident insurance, annual medical check-up, nursing room, mother corner (breast milk collection room), scholarships for employees' children (Kiatnakin Responsibility Scholarships) and other monetary benefits for assisting employees on some occasions.

In terms of safety and health, the Bank has set up a working environment taking into account safety, health and environment suitable for employees to work while ensuring clients' convenience. Furthermore, the Bank has organized fire drills and an office security system. The Bank has also announced the Guidelines for Safety and Unusual Sight to ensure safety to the buildings and its employees.

The Bank supervises, manages and justly treats all employees with kindness, politeness and respect and provides working opportunities to employees at every level. Also, the Bank has strived to develop a positive corporate culture and working atmosphere.

The Group has set up the Guidelines for Business Conduct prescribing the Group's framework for employees in business dealings, and has issued an Anti-corruption policy in order to set standards with which employees may operate with a sense of honesty. The Group arranges for the dissemination of the Guidelines for Business Conduct and Anti-corruption policy. This is to be used in conjunction with the working rules and regulations of the Group and is to be reviewed periodically.

(Details on respecting human rights and fair treatment of employees/ labor of the Bank are shown in the CSR report.)

Role, Practice and Responsibilities of the Bank towards Creditors in accordance with Credit Guarantees

The Bank strictly abides by all terms and conditions as stipulated in agreements with creditors and creditor guarantees in respect to purpose and utilization of loan, repayment and proper maintenance of collateral.

The Bank provides correct and honest status and financial reports to creditors periodically and in the event that the Bank is unable to comply with any condition of an agreement, the Bank will immediately inform the creditor so as to find a reasonable and mutually-acceptable solution. The Bank strives to maintain good relationships and mutual trust with creditors.

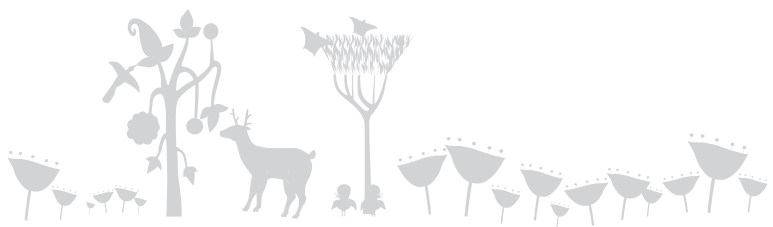
The Bank has established a strategy in treasury function to promote security and strength in capital management to prevent the Bank from experiencing difficulties in repaying creditors. There is also a liquidity management on debt repayment to meet the maturity in a timely manner.

The Risk Management Committee is responsible for planning, monitoring and controlling the Group's capital to ensure its sufficiency, considering the Group's position and business activities. In doing so, the Group has an appropriate Internal Capital Adequacy Assessment Process (ICCAP) which is able to cover the Group's significant risks under normal circumstances or crisis and is in accordance with the capital management standards under the Pillar II of the Bank of Thailand.

Role, Practice and Responsibilities of the Bank towards Counterparties

The Group realizes the importance of counterparties as part of its success is derived from the support of counterparties. Therefore, the Group treats all counterparties equally and fairly in all transactions and strictly adheres to all terms of any agreement. In the event that the Group fails to do so, the counterparties will be informed immediately in order to find a reasonable and mutually-acceptable solution.

The Bank has a procurement policy and implemented a procurement system in which the selecting process for sellers, counterparties and consultants must be based on the premise that the Bank will receive maximum benefit.



This is done in a transparent manner, free from any bias and able to be audited. The Bank provides opportunity for all qualified counterparties to submit their proposal. Employees are not allowed to receive any benefit from parties entering the bidding process. If there is any evidence of dishonestly requested or benefit receipt, counterparties will be informed so the problem will be solved in a fair and timely manner.

The Group has in place an audit system which will not permit the disclosure of any information of counterparties or the use of such information for conducting business in any illegal manner. The Group does not cooperate with any person or entity related with illegal activities or posing a threat to society and to security of the nation.

Role, Practice and Responsibilities of the Bank towards Competitors

The Group conducts businesses ethically and in accordance with rules and regulations; avoids any search for confidential information of business competitors by dishonest or improper means; and refrains from tarnishing competitors' reputation without truth.

It is against the Bank's policy to seek increased sales by disparaging the products and services of other banks since the Bank's goal is to increase business by offering superior products and services.

Role, Practice and Responsibilities of the Bank towards Community, Society and Environment

The Group acts as a responsible citizen, supporting democracy under the demo-monarchy system and remains unbiased in politics. Employees are permitted to exercise their rights and political freedom, which is an individual right, but are not permitted to do so under the name of the Group.

The Group strictly conducts the businesses under laws and regulations. The Group will not cooperate or support any person or entity that is illegal, is connected with corruption, or poses a threat to society and the security of the nation; takes part in any activity that causes harm to the community, society or environment; and partakes of any profit that can arise from burdening society.

The Group stands firm in its commitment to the synergy of the benefit of organization, clients and shareholders with the economic development and financial market of Thailand; strives to keep growing together with the financial and capital markets; tries to assist the financial, capital and securities markets to steadily grow; and supports the use of knowledge and expertise of the Group and its employees relating to management, systems implementation and law for the benefit of society.

The Group supports the employees at every level in developing their skills with periodic training seminars to instill a sense of responsibility towards the community, society and environment; promotes and creates awareness among employees of the need for natural resources and energy conservation and how to use them wisely; and supports and encourages employees to volunteer and participate in social activities and charity work.

The Group has set aside an appropriate budget for society and charity work without being limited to projects that can be used for tax reduction purposes only; supports projects that help maintain our culture and traditions as well as promoting religious activities; and supports the strengthening of the community in which it is located as well as other communities so that they can become self-reliant, help each other, improve the quality of life and live with happiness.

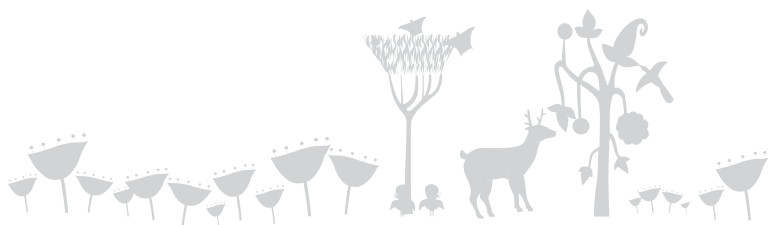
(Details on activities towards social and environmental responsibilities of the Group are shown in the CSR report.)

3.4 Respect Intellectual Property

The Group respects the intellectual property of other parties. The unauthorized use of another party's patented, trademarked or copyrighted (audio, video, text) materials is strictly prohibited, regardless of their sources. In addition, the Group does not permit the use of software or other devices whose primary purpose is the circumvention or violation of another's intellectual property rights.

3.5 Anti-corruption and Anti-bribery

The Bank intends and is committed to taking a stand against corruption in any form by adhering to the Guidelines for Business Conduct, Corporate Governance Principles,



Anti-Corruption Policy and regulations according to Thai laws on anti-corruption which is to be strictly followed. The Bank and its subsidiaries in the Capital Market Group have announced their intention to be part of the Private Sector Collective Action Coalition Against Corruption (CAC) with support from the government and the National Anti-Corruption Commission. At present, the Bank and its subsidiaries in the Capital Market Group have been certified as full members of the CAC.

The Bank has continually implemented an anti-corruption program as follows:

- The Anti-Corruption Policy has been issued by the Board of Directors for all directors, executives and employees as a guideline to perform their duties in a transparent manner, paving the way to building a sustainable organization. The Bank's policy forbids bribes, payoffs or payments of any kind to any person, government official or entity for the purpose of improperly obtaining or retaining business or influencing consideration of any business activity. This policy covers all types of payments that may or may not be considered legal under the circumstances. Special rules may apply to payments or gifts (including entertainment) to officers, directors, employees or other affiliates of government-owned or controlled entities.

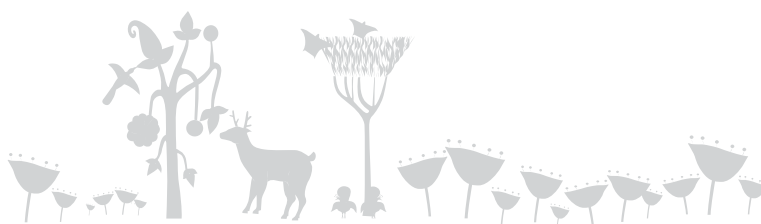
The Bank will not cooperate or support any illegal activities which involve corruption, or are a threat to society and national security.

Furthermore, no director, executive, employee or member of their families may, directly or indirectly, accept or receive gifts, frequent or excessive entertainment, or any similar form of consideration that is of more than nominal value from any person or entity with which the Bank does, or seeks to do, business.

- The Bank requires that all departments implement operational risk management standards through the use of Risk and Control Self Assessment (RCSA), Operational Loss Reporting and Key Risk Indicator

(KRI). In addition, all departments are required to perform their own risk assessment in relation to anti-corruption which will identify the specific forms of corruption and report to the Operational Risk Management Department and Compliance Department for further review and analysis, and report to the Operational Risk Sub-committee, the Risk Management Committee and senior executives. Key risk indicators are determined for monitoring and controlling of such risks within an acceptable level as well as to ensure efficiency and prepare to deal with potential risks in the future.

- The Bank has issued regulations on receiving and giving of gifts, entertainment and other expenses to external persons to be used by directors, executives and employees as a guideline to perform their duties, and for reimbursement of expenses which must be reasonable, appropriate in value and do not have characteristics leading to corruption and must be consistent with the Bank's policy and the relevant legal requirements.
- The Bank communicates its Anti-Corruption Policy and related regulations and clarifies the role of employees where they have seen suspicious actions related to corruption. The Bank will not demote or take disciplinary action against any person who has refused to be involved in a corruption scheme even though it may have made the Bank lose a business opportunity. The Bank also distributes information on its Anti-Corruption Policy to directors, executives and employees through the intranet, and via executive talks by the CEO in which the Bank has invited the bank's executives to attend and discuss topics relating to anti-corruption, policy statement and e-learning training course for all employees on the Anti-Corruption Policy together with an assessment form for understanding by employees. This e-learning training course has been implemented for both new and existing employees to review their understanding towards the



Anti-Corruption Policy annually. Furthermore, the Bank also distributes information on its Anti-Corruption Policy to the companies within the Group.

The Bank also communicates the Anti-Corruption Policy to the general public and other stakeholders through various channels, such as e-mail, the Bank's website, annual reports and CSR reports. Furthermore, the Bank has sent letters to notify clients and counterparties about its services which are based on corporate governance and anti-corruption principles.

- Referring to the Anti-Corruption Progress Indicators Survey in 2015 which was distributed by the SEC in order to comply with the sustainable development plan for listed companies, the Bank has been categorized in Level 4 "Certified" (from 5 levels). The Bank's indicator indicates that it has already implemented an anti-corruption program which has been completely reviewed by the Audit Committee and has been certified as Thailand's Private Sector Collective Action Coalition Against Corruption.

4. Disclosure and Transparency

Information disclosure is a vital principle for good corporate governance. The Group places great emphasis on disclosure of information to shareholders. Accurate and complete information is provided to shareholders in a transparent and timely manner through various actions as follows:

4.1 Disclosure of Information

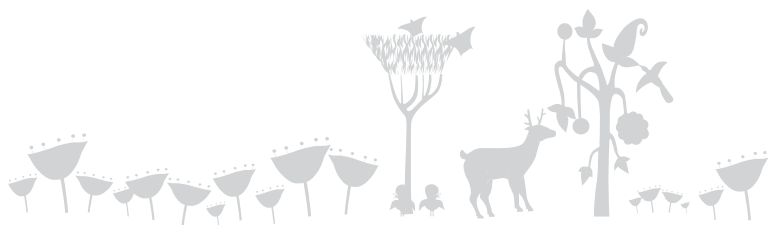
The Group ensures that all important information related to the Bank, both financial and non-financial, is disclosed correctly, accurately, on a timely basis and in a transparent manner through the SET, its annual report, annual statement (Form 56-1), the Bank's website in both Thai and English, as well as through public media (in some circumstances) so that shareholders can equally receive information.

The Group has clear procedures for information disclosure under ordinary and urgent circumstances alike. In an effort to make financial information more rapidly available, the Group discloses unaudited financial statements for the half-year and year-ended periods and unreviewed financial statements for the first and third quarters besides the audited and reviewed versions. Also, the Group discloses management discussion and analysis along with the performance update presentations on a quarterly basis on its website. The Group has never submitted its financial reports late.

All disclosed information, as well as that made public to shareholders and investors, is disseminated through the Bank's website, which has been upgraded, regularly updated and made bilingual to benefit shareholders.

In 2015, senior executives and investor relations of the Group met and provided information to local as well as foreign analysts, shareholders and investors as follows:

Type of Activities	Times
One-on-One Meeting	16
Conference Call	17
Analyst Meeting	4
Domestic Investor Conference	2
International Roadshow	4
Press Conference	2



Furthermore, the Board of Directors prepares a statement of its responsibilities concerning the financial reports signed by the Chairman of the Board of Directors and CEO and ensures that the roles and responsibilities of committees of the Bank are disclosed in Form 56-1, annual report and website of the Bank.

4.2 Investor Relations

Investor relations serve institutional investors, minor shareholders, analysts, and those who are interested in monitoring the Group's information.

The investor relation officer of the Bank is:

Name	:	Mr. Chavalit Chindavanig (Acting)
Phone	:	0-2841-5925
Facsimile	:	0-2841-5529
Email	:	investor_relations@kiatnakin.co.th
Website	:	www.kiatnakinphatra.com
Address	:	Investor Relations Department Kiatnakin Bank Public Company Limited 209/1 K Tower B, 31 st Floor Sukhumvit 21 (Asoke), Klongtoey-Nua Wattana, Bangkok 10110

The Bank has set the Code of Conduct for investor relations officers to promote ethical conduct and compliance with laws and regulations among all executives and employees involved with investor relations in terms of the disclosure and confidentiality of financial statements and any related information of which details are shown on the Bank's website.

Additionally, the Bank supports its investor relations officers to participate in activities of the Thai Investor Relations Club in order to exchange knowledge, experiences and practices and build good relationships with other listed companies.

4.3 Appointment of Auditor and Financial Statements

The Board of Directors assigns the Audit Committee to be responsible for reviewing, selecting and nominating independent persons, whose names appear in the list of auditors approved by the SEC, to be appointed as the auditors of the Bank, so as to recommend the remuneration of independent auditors.

The Board of Directors, at the meeting No.2/2016, on February 25, 2016, approved a proposal by the Audit

Committee to propose to the Annual General Meeting of Shareholders the appointment and remuneration of auditors from Pricewaterhouse Coopers ABAS Ltd. ("PwC") as the auditor of the Bank for 2016. The main reason was because of their independence and state of readiness on taking up the role as the Bank's and subsidiaries' external auditors. Also, the auditors of PwC have demonstrated a sound knowledge and understanding of the operations and related accounting standards relevant to the banking and capital market businesses.

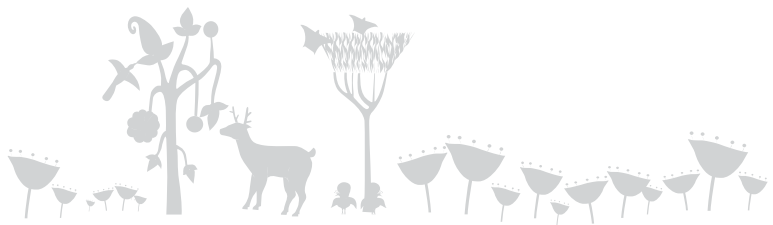
The audit fee was approved by the Bank's shareholders' meeting of which details for 2015 were shown in the Auditor's Remuneration section.

In the previous year, the Bank's financial statements were unconditionally certified by the auditor.

5. Board Responsibilities

5.1 Board Composition

The Bank's Board of Directors is comprised of fifteen members, including five independent directors, three non-executive directors and seven executive directors, with



variety of skills, specialized experiences and genders. To comply with good corporate governance principles, the Bank has appointed a non-executive director as a Chairman of the Board of Directors. The Chairman of the Board of Directors and CEO are different individuals.

- *Chairman of the Board of Directors*

The Chairman of the Board of Directors has a vital role in ensuring that the Board of Directors performs its duties in accordance with the specified direction and strategic goal for the utmost benefit of the Bank and shareholders as a whole. He is the leader who takes part in making decisions on the Bank's policies, which are the results from the Board of Directors' meetings in which the business targets are considered and set together with the management. His roles include effectively and efficiently conducting the Board of Directors' meetings, encouraging all directors to participate in the meetings, i.e. raise important questions, provide management with suggestions, monitor and evaluate the Bank's performance, support the business operation via the CEO, oversee the shareholders' benefits, facilitate effective communications between the directors and shareholders, be a contact person for receiving complaints regarding misconduct behaviors, maintain good governance of the Board of Directors in performing functions in good faith, and be the Bank's representative to co-operate with other organizations and government offices regarding matters other than the Bank's businesses.

- *CEO*

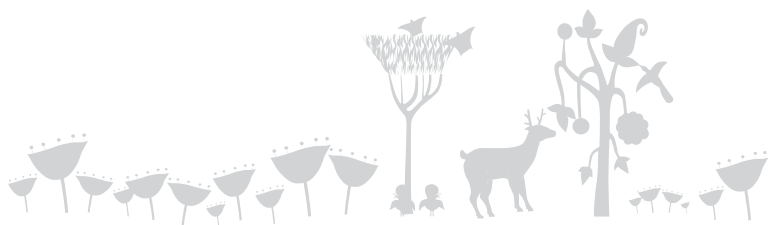
The CEO is the leader of management who has the duty to successfully manage the day-to-day businesses of the Bank and companies in the Group and set up action plans and strategies in accordance with the approval from the Board of Directors.

The Board of Directors will not interfere in the duties of the management. The relationship of the Board of Directors and management is in the form of co-working.

- *Independent Director*

The Bank has laid down stricter qualification requirements for independent directors than the minimum requirements of the SEC and the SET as follows:

- (1) Holding not more than 0.5% of the total shares with voting rights of the Bank, its parent Bank, its subsidiary, its affiliate, major shareholder or controlling person, inclusive of the shares held by related persons;
- (2) Not being or having previously been a director who takes part in the management, an employee, a staff member or advisor who receives a regular salary, or a controlling person of the Bank, its parent company, its subsidiary, its affiliate, its subsidiary at the same level, major shareholder or controlling persons unless the termination of being in such position had occurred at least two years before an appointment as the Bank's independent director. Such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Bank;
- (3) Not being a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, brothers, sisters, and children, including spouse of children, of its executives, its major shareholder, its controlling person, or such other person who will be nominated to take up the position of executives or controlling persons of the Bank or its subsidiary;
- (4) Having no current or previous business relationship with the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person in the manner which may interfere with his or her independent discretion, not being or having previously been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person unless the termination of being in such position had occurred at least two years before an appointment as the Bank's independent director;



Such business relationships include normal business transactions, rental or lease of immovable property transactions, asset or service transactions, or giving or taking financial assistance by borrowing or lending money, suretyship, providing assets as collateral, and any other similar actions, which result in the Bank or his counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the company or Baht 20.00 million or more, whichever is lower;

- (5) Not being or having previously been an auditor of the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person, a significant shareholder, controlling person or partner of the audit office to which the auditor of the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person unless the termination of being in such position had occurred at least two years before an appointment as the Bank's independent director;
- (6) Not being or having previously been any professional service provider including legal advisor or financial advisor who receives more than Baht 2.00 million annually from the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of the professional service provider unless the termination of being in such position had occurred at least two years before an appointment as the Bank's independent director;
- (7) Not being a director appointed as a representative of the Bank's directors, a major shareholder or a shareholder who is related to the Bank's major shareholder;
- (8) Not undertaking any business in the same nature and in competition with the business of the Bank, its subsidiary or not being a significant partner in a partnership or being an executive director,

employee, staff, advisor who receives salary or holding shares more than 1% of the total shares with voting rights of another company having its business in the same nature and in competition with the business of the Bank or its subsidiary;

- (9) Having no characteristics that may affect the giving of independent opinions on the Bank's operations;

A person appointed as independent director, upon fulfilling the above (1) - (9) criteria, may be assigned by the Bank's Board of Directors to make decisions on the operation of the Bank, its parent company, its subsidiary, its affiliate, major shareholder or controlling person, by means of collective decision.

- *Other Committees*

To further study and screen matters in particular areas, the Board of Directors has appointed five committees, namely: the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Executives Committee and Compliance and Governance Committee. The authorities, duties and responsibilities of such committees are shown in the Management Structure section.

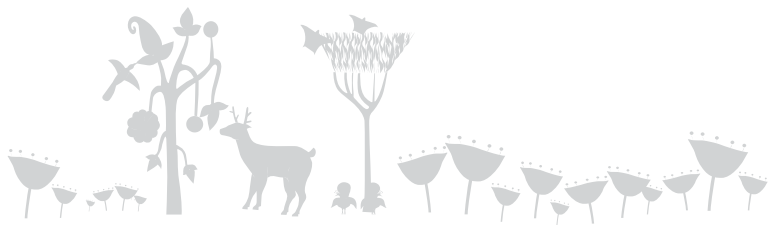
5.2 Authorities, duties and Responsibilities of the Board of Directors

Authorities, duties, responsibilities of the Board of Directors and matters under the authority of the Board of Directors are shown in the Management Structure section.

5.3 Vision and Mission

The Bank's Board of Directors, in conjunction with the Executive Committee, reviews the Bank's vision and mission periodically so as to make adjustments that reflect the business strategy in the future. Furthermore, the Board of Directors has sporadically monitored the management's business operation in accordance with the Group's strategic direction.

In the previous year, the Executive Committee reviewed the Bank's vision and mission, approved by the Board of Directors, so as to be in consistence with the business target and strategy prior to submission to the Board of Directors for approval.



5.4 Business Ethics

The Group realizes the importance of its good reputation. Maintaining trust with clients, colleagues, shareholders, regulators and the general public is the obligation of every director, executive, officer and employee. All directors, executives and employees must comply with laws, rules and regulations and policies that govern or apply to the Group's businesses and adhere to high professional standards of integrity and to key principles of business conduct in the performance of their duties. This is because the Group's businesses are predicated on the trust and respect of clients and the general public.

The Board of Directors has approved the Guidelines for Business Conduct so that directors, officers and employees of the Group have a standard framework for the performance of duties. The Guidelines for Business Conduct of the Group set key principles on significant issues, which are (1) conflict of interest; (2) corporate opportunities; (3) confidentiality obligations; (4) fair dealing; (5) respect for the individual; (6) safeguarding the Bank's information, assets and property; (7) compliance with law; (8) the Bank's written and electronic communications; and (9) commitment to promoting ethical conduct (as per details shown on the Bank's website). The Bank communicates and disseminates the Guidelines for Business Conduct via its intranet so that employees and executives acknowledge and comply with the guidelines when they perform their duties. Furthermore, all employees of the Bank have to do the E-learning and pass the test on the Guidelines for Business Conduct.

5.5 Conflict of Interest

A conflict of interest occurs when an individual's private interest interferes in any way or even appears to interfere with the interests of the Group as a whole. A conflict situation can arise in various businesses of the Group. Therefore, the Board of Directors has set the written policy on conflict of interest which is used for the Bank and companies in the Group.

The Group expects each director, management and employee to avoid activities, interests or associations that may interfere with the independent exercise of his or her

judgment or the best interests of the Group, its clients, its shareholders or the public or activities that are unethical or can damage the Group's good reputation.

The Bank and companies in the Group will not proceed with any transaction that may lead to conflict of interest, unless such transaction is conducted in compliance with law and ethics or under the following principles.

- Transactions that provide the utmost benefit to clients or are necessary and beneficial to clients in the circumstances;
- Transactions that are normal business operations executed on an arm's-length basis with the general public; or
- Transactions to comply with conditions specified by any regulator to perform to ensure transparency or fairness for clients.

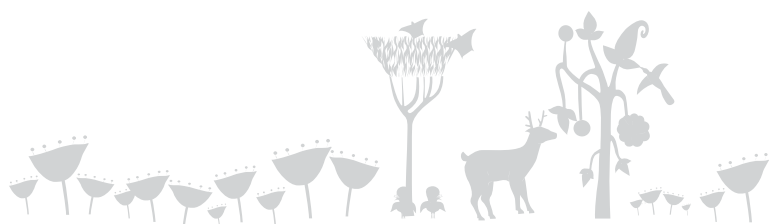
5.6 Risk Management Policy

The Board of Directors, via the Risk Management Committee, closely regulates the risk management policy embracing the management of risks throughout the entire organization with emphasis on establishing, for each business group and unit, roles and responsibilities of understanding the risks of its business activities and managing such risks under the risk management policies and guidelines of the Group. The Risk Management Group has roles and duties to regulate, monitor and review the mechanics of risk management and control in each business unit and business group. Furthermore, each business unit will be allocated capital in an amount depending on the level of its transaction risks and business operation losses.

Moreover, the Risk Management Group arranges training and educates employees of the Bank and companies in the Group on risk management to build an understanding of risks and encourage employees' involvement in managing risks.

5.7 Board Meeting

Each year the Bank schedules regular meeting dates and agendas for the Board of Directors' meetings in advance prior to the end of the earlier year so the Corporate Secretary can inform the Board members of those meeting



schedules and agendas for the coming year. Additional Board meetings may be held, if necessary. The Banks' Corporate Secretary is responsible for the meeting arrangement and sending notices of meetings together with relevant documents to each Board member not less than seven days prior to the meeting date, except in urgent cases, in order that the directors shall have adequate time to review relevant information prior to the meeting. Each director can make inquiries for additional information from the Corporate Secretary and is free to submit any meeting agenda. Each meeting agenda is well-defined whether it is for acknowledgement, approval, consideration or regular follow-up on the operating results.

During the Board meeting, the Chairman of the Board allocates ample time for the management to report and for adequate discussion. Minutes of meetings are recorded, certified by the Board of Directors and made available for examination by the Board and relevant parties. In 2015, the Board of Directors met ten times. (The attendance record of each director is shown in the Management Structure section.)

In addition, the Chairman of the Board encourages the CEO to invite senior executives to attend the Board meetings to present additional information and get acquainted with the Board members. The Bank also grants opportunities for the directors to request additional and necessary

information from the CEO, President, heads of business or support groups, Corporate Secretary or other senior executives within the specified policy framework as well as opportunities for non-executive directors to hold their internal meetings to discuss management matters of interest. In 2015, there were two meetings among non-executive directors and the result from such meeting had been reported to the Board of Directors.

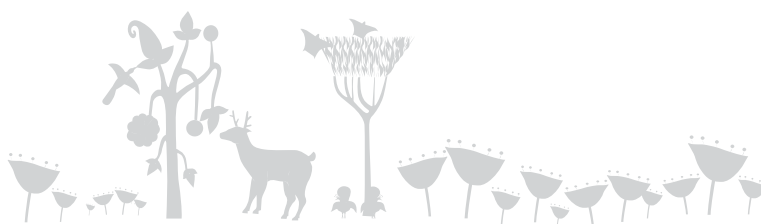
5.8 Development of Directors and Executives

The Banks encourages its directors and executives to participate in seminars and training session of the IOD, SET, Thai Listed Companies Association, Thai Bankers' Association or other institutions to benefit the performance of their duties for the Bank and the Group.

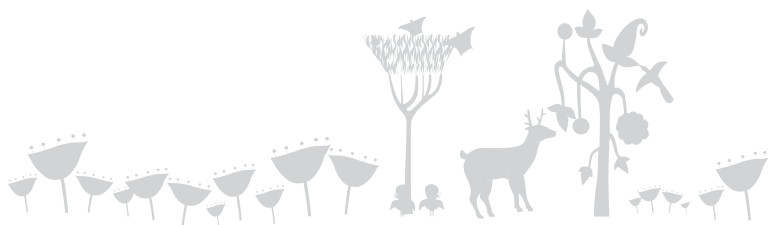
In 2015, twenty directors and senior executives partook in various training programs, totaling twelve, to develop their potential in several aspects, for example, to enhance competitive capability, to create vision and increase their knowledge base and to exchange valuable experiences among executives. The average training per person amounted to approximately 2.98 days.

In 2015, there were fourteen directors and senior executives attending the training programs of the IOD and SET as summarized as following:

Name of Director and Senior Executive	Course	Course Organizer
1. Mr. Supol Wattanavekin	- CG Forum 4/2015 Governance as a Driving Force for Business Sustainability	- The Stock Exchange of Thailand (SET)
2. Mrs. Dayana Bunnag	- Director Certification Program Update (DCPU 5/2015)	- Thai Institute of Directors Association (IOD)
3. Mr. Chet Pattrakornkul	- Corporate Governance for Capital Market Intermediaries (CGI 08/2015) - CG Forum 1/2015 "CG in Substance" "CG in Substance วัฒนธรรมองค์กรกับหลักธรรมาภิบาล"	- Thai Institute of Directors Association (IOD) - The Stock Exchange of Thailand (SET)
4. Mr. Pravitt Varutbangkul	- Corporate Governance for Capital Market Intermediaries (CGI 08/2015)	- Thai Institute of Directors Association (IOD)



Name of Director and Senior Executive	Course	Course Organizer
5. Mr. Tarnin Chirasoonton	<ul style="list-style-type: none"> - CG Forum 3/2015 "Risk Oversight : High Priority Roles Of the Board" - CG Forum 1/2015 "CG in Substance วัฒนธรรมองค์กรกับหลักธรรมาภิบาล" 	<ul style="list-style-type: none"> - The Stock Exchange of Thailand (SET) - The Stock Exchange of Thailand (SET)
6. Mr. Suraphol Kulsiri	<ul style="list-style-type: none"> - Director Certification Program Update (DCPU 5/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)
7. Mr. Suvit Mapaisansin	<ul style="list-style-type: none"> - Corporate Governance for Capital Market Intermediaries (CGI 5/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)
8. Ms. Thitinan Wattanavekin	<ul style="list-style-type: none"> - Director Certification Program Update (DCPU 5/2015) - Corporate Governance for Capital Market Intermediaries (CGI 8/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD) - Thai Institute of Directors Association (IOD)
9. Mr. Pracha Chumnarnkitkosol	<ul style="list-style-type: none"> - Director Certification Program Update (DCPU 5/2015) - Corporate Governance for Capital Market Intermediaries (CGI 7/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD) - Thai Institute of Directors Association (IOD)
10. Mrs. Patraporn Milindasuta	<ul style="list-style-type: none"> - Corporate Governance for Capital Market Intermediaries (CGI 8/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)
11. Mrs. Kulnan Tsanthaiwo	<ul style="list-style-type: none"> - Corporate Governance for Capital Market Intermediaries (CGI 8/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)
12. Mr. Chavalit Chindavanig	<ul style="list-style-type: none"> - Director Certification Program Update (DCPU 5/2015) - Corporate Governance for Capital Market Intermediaries (CGI 4/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD) - Thai Institute of Directors Association (IOD)
13. Mr. Norachet Sangruji	<ul style="list-style-type: none"> - Corporate Governance for Capital Market Intermediaries (CGI 7/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)
14. Mr. Sarawut Charuchinda	<ul style="list-style-type: none"> - Advanced Audit Committee Program (AACP 19/2015) 	<ul style="list-style-type: none"> - Thai Institute of Directors Association (IOD)



Besides, the Office of Corporate Secretary arranges Executive Talk sessions on the business operation of the Group for directors and executives. During 2015, there were four sessions on the following topics:

- Development of risk management and guidelines for credit risk management
- Asset management business overview and business direction of PASSET
- Economic update
- Financial reporting standards which have effect on the Bank

5.9 Directorship in Other Companies of Directors

The Bank is well aware of the value of the experience the directors will gain by being directors of other agencies. Nevertheless, in order to allow executive directors to have sufficient time to perform their duties to the fullest extent, the positions held at other agencies must be under the condition that they will not have an adverse effect on the performance of their duties as directors of the Bank.

As stipulated in the Corporate Governance Principles, directors of the Bank may hold the position of Chairman of the Board, executive director or authorized director at no more than three groups. If the company in which a director holds a title is a single company, then it will be counted as one group. This is consistent with the notification no. sor nor sor.13/2009 dated July 9, 2009 of the Bank of Thailand. Also, the Corporate Governance Principles of the Bank suggests that the executive directors be director of not more than two companies outside the Group.

Directors of the Bank may not hold shares in any private or public company which operates in the same industry and is considered in direct competition with the Bank, unless the shareholders' meeting has been informed prior to being appointed.

Prior to taking up a post as director, officer or employee in any other business, a director must receive approval from the Bank. If an executive director wishes to take up a post of director in a listed company of the SET, he/she must receive approval from the Executive Committee of the Bank.

This is in order to prevent any conflict of interest that may arise.

All newly-appointed directors must disclose all activities and interests outside the Bank and all directors are duty-bound to disclose any changes to the status of the interest outside the Bank to the Bank.

5.10 Directorship in Other Companies of Executives

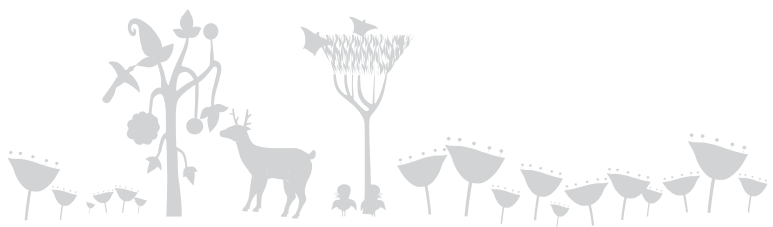
The Bank is well aware of the value of the experiences the CEO, President and Chairman of the business group or equivalent position will gain by being directors of other agencies. Nevertheless, in order to allow senior executives to have sufficient time to perform their duties to the fullest extent, the positions held at other agencies must be under the condition that they will not have an adverse effect on the performance of their duties.

As stipulated in the Corporate Governance Principles, the CEO, President and Chairman of the business group or equivalent position may hold the position of Chairman of the Board, executive director or authorized director at no more than three groups. If the company in which they hold title is a single company, then it will be counted as one group.

The CEO, President and Chairman of the business group or equivalent may not hold shares in any private or public company which operates in the same industry and is considered in direct competition with the Bank.

Prior to taking up a post as director, officer or employee in any other business, the CEO, President and Chairman of the business group or equivalent position must receive approval from the Compliance Department. In the case where the CEO, President and Chairman of the business group or equivalent takes up a post of director in a listed company of the SET, he/she must notify the Executive Committee of the Bank in order to avoid any conflict of interest that may arise.

Upon entering employment with the Bank, all senior executives must disclose all activities and interests outside the Bank and are duty-bound to inform the Bank of any changes in status of the interest outside the Bank to the Bank.



5.11 Director Orientation

The Bank realizes the importance of duties performed by new directors. Consequently, all new directors are informed with the Group's overall business operation, structure and relevant businesses so they understand the business process and shareholding structure of the Group. Upon changes in director, the Office of Corporate Secretary is responsible for preparing for a new director a set of documents consisting of an annual report, mission, vision, core values, business performance, Articles of Association, Memorandum of Association, director handbook and relevant regulatory notifications.

5.12 Terms of Directorship

The Bank stipulated in Clause 18 of the Articles of Association that at every annual general meeting of shareholders, at least one-third (1/3) of the directors shall retire from the positions. Should the number of directors not be divisible into three equal parts, the nearest number to one-third must retire from office. Directors retiring by rotation can be re-elected as directors. In short, an average term of a director is three years.

However, the Bank does not specify a maximum number of years and terms any director can be in office in order for the Bank not to lose its opportunity to appoint knowledgeable, capable and experienced directors who are a successful factor in directing the Bank.

5.13 Succession Plan

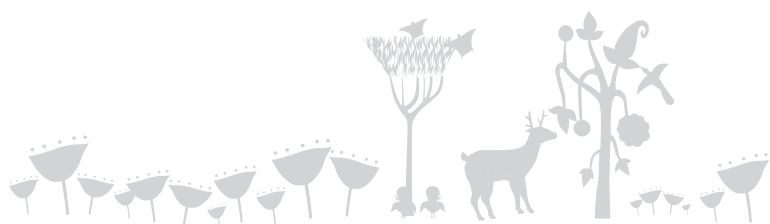
The Board of Directors assigns the duties to the Nomination and Remuneration Committee to be responsible for overseeing that the management has adequately prescribed a relevant policy for the required succession plan. The plan, which needs to be submitted to the Board of Directors, shall involve the preparation for selection of successors in levels from the First Vice President up to the Chief Executive Officer and President. This aims to assure the continuity of the Bank's business operation and the practices which are in line with the policies and standards applied to financial institutions.

The Bank's succession plan consists of procedures which (1) survey and identify positions; (2) assess and approve a list of successors; (3) plan for successor development; and (4) follow up on the successor development. Such a succession plan has been annually reported to the Board of Directors for acknowledgement.

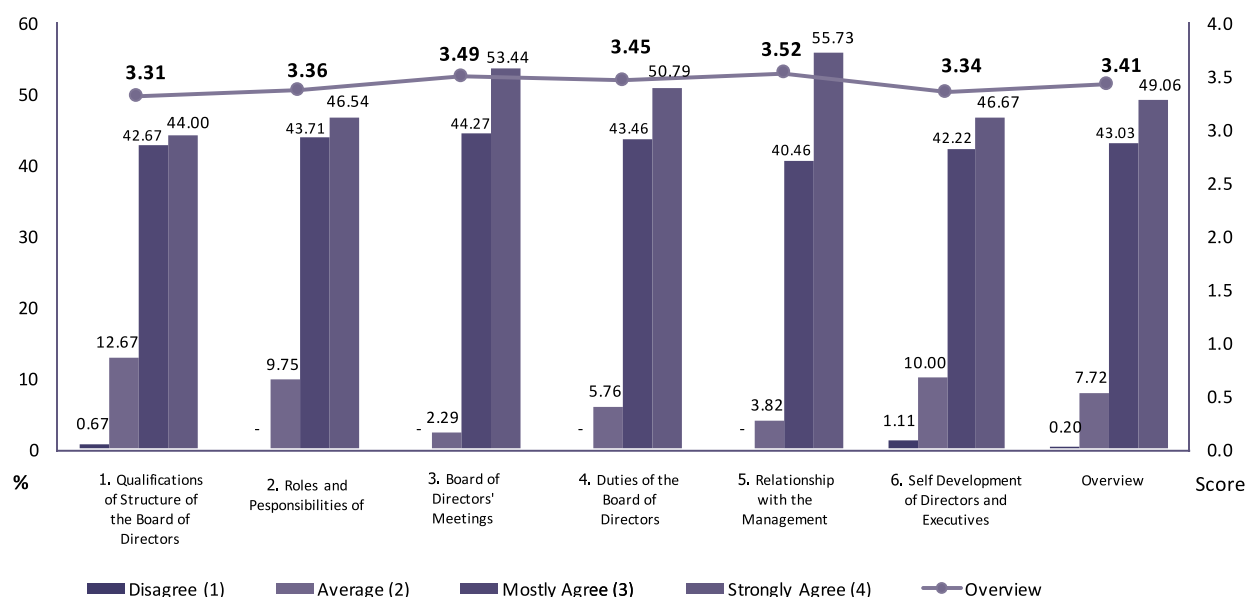
5.14 Board of Directors' Self-assessment as a Whole

The Board of Directors has conducted its annual self-assessment to determine whether or not, over the past year, it has carried out its duties completely and appropriately according to the framework of authorities and responsibilities and Corporate Governance Principles. The assessment result is gathered and summarized by the corporate secretary.

The assessment form used for the Board of Directors has been adapted from the assessment form of the SET with changes making it suitable for the Bank's Board of Directors. It assesses six major aspects: (1) Qualifications of Structure of the Board of Directors; (2) Roles and Responsibilities of the Board of Directors; (3) Board of Directors' Meetings; (4) Duties of the Board of Directors; (5) Relationship with the Management; and (6) Self Development of Directors and Executives, of which the entire aspects accounted for seventy-one individual subjects as a whole within the range of 0-4; strongly disagree to strongly agree. The result of the 2015 annual assessment of the Board of Directors as a whole is a favorable result with an average score of 3.41.



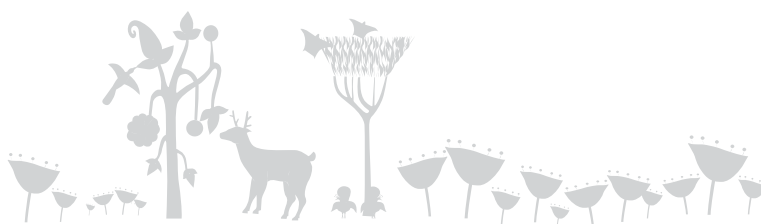
The table below shows the result of the Board of Directors' self-assessment as a whole for year 2015.



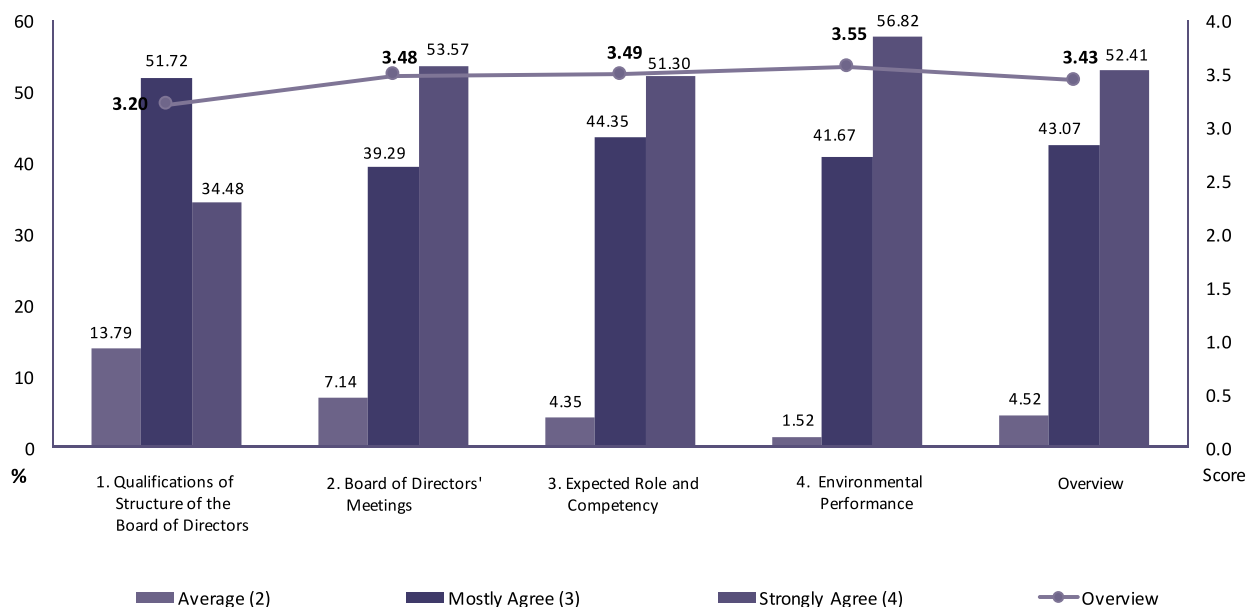
5.15 Board of Directors' Self Assessment as an Individual

In 2015, the Board of Directors has conducted its self-assessment as an individual. The assessment result is used to improve the performance of the Board of Directors. The self-assessment as an individual is conducted on a yearly basis.

The assessment form used for the Board of Directors has been adapted from the assessment form of the SET with changes making it suitable for the Bank's Board of Directors. It assesses four major aspects: (1) Qualifications of Structure of the Board of Directors (2) Board of Directors' Meetings; (3) Expected Role and Competency; and (4) Environmental Performance of which the entire aspects accounted for twenty-seven individual subjects as a whole within the range of 0-4; strongly disagree to strongly agree. The result of the 2015 annual assessment of the Board of Directors as an individual is a favorable result with an average score of 3.43.



The table below shows the result of the Board of Directors' self-assessment as an individual for year 2015.



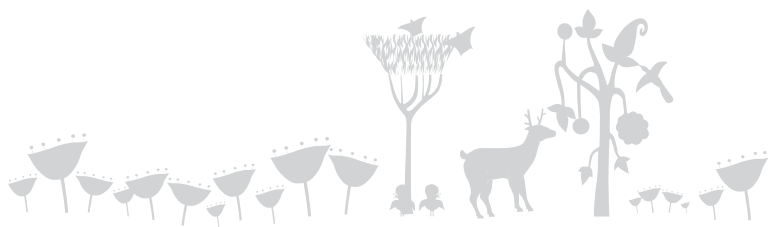
5.16 Sub-committees' Self Assessment

In 2015, all five sub-committees under the supervision of the Board of Directors performed their self-assessment and reported the results to the Board of Directors.

The Executive Committee and the Risk Management Committee performed their self-assessment by using the assessment form of which questions were divided into four topics, which were the performance according to duties, authorities and responsibilities, the committee's meeting, the performance of the chairperson and the minutes of the committee's meetings. The answer scale was 1-5 rating from the lowest to the highest. The results of the self-assessment of the Executive Committee and the Risk Management Committee were an average of 3.89 and 4.03 respectively.

The Compliance and Governance Committee performed its self-assessment by using the assessment form in which questions were divided into six topics. These were the structure and qualification of the committee, the roles, duties and responsibilities of the committee, the committee's meeting, the performance of the committee, the relationship with management and the self-improvement of committee members. The answer scale was 0-4 from totally disagreeing to totally agreeing. The result of the self-assessment of the Compliance and Governance Committee was at an average of 2.64.

The Audit Committee performed its self-assessment by using the assessment form developed from the assessment form published with the Audit Committee's manual of the SEC. The assessment form consisted of three main parts, which were Part 1: the appropriateness of the structure and composition of the committee and the general environment that could help the committee to effectively perform its task; Part 2: the performance of the committee during the year; and Part 3: the readiness prior to taking up a position in the Audit Committee. The assessment form of the Audit Committee had one hundred and twenty-two questions in total. It aimed to improve the environment to facilitate the performance of the committee as well as the charter of the committee to be more suitable. The result showed that the Audit Committee was of the opinion that the structure and composition of the committee and the general environment helped the



committee perform its duties effectively (90%); the committee had performed its tasks according to the scope of work, authorities and responsibilities in the previous year (76%); and the Audit Committee's members were ready for taking up positions as independent directors/ Audit Committee's members (100%).

The Nomination and Remuneration Committee performed its self-assessment by using the assessment form in which questions were divided into six topics. They were the structure and qualification of the committee, the roles, duties and responsibilities of the committee, the committee's meeting, the performance of the committee, the relationship with management and the self-improvement of committee members. The answer scale was 0-4 from totally disagreeing to totally agreeing. The result of the self-assessment of the Nomination and Remuneration Committee was at an average of 3.07.

5.17 Executive Performance Evaluation

On an annual basis, the Chairman of the Nomination and Remuneration Committee, who is an independent director, shall conduct a performance evaluation of the CEO and President. The evaluation will be conducted by the Banks' directors and its result shall be taken into account in determining remuneration of both executives. The evaluation also serves as feedback to the executives reflecting the needs to review strategies, policies and management approaches to improve the management effectiveness and efficiency.

Evaluation results shall be shared with the executives by the Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee, to establish mutual understanding on expectations of the Board of Directors.

Evaluation Methodology

Executive performance evaluation consists of three parts:

1. Bank Performance Appraisal, which shall be evaluated by all directors.
2. CEO Performance Evaluation, which is self-evaluation, and evaluation by directors and members of

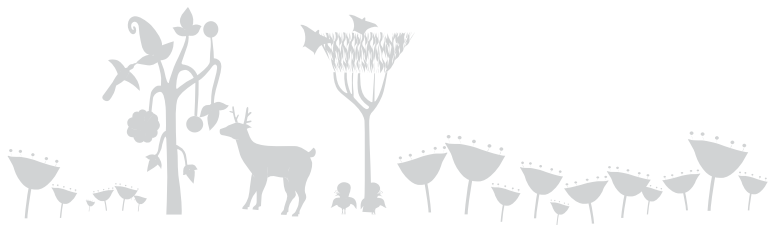
committees of which the CEO serves as Chairperson.

3. President Performance Evaluation, which is self-evaluation, and evaluation by all directors, the CEO, and members of the Commercial Banking Management Committee.

The Nomination and Remuneration Committee's secretary shall collect evaluation results, compile, and report a summary of evaluation results to the Nomination and Remuneration Committee and to the Board of Directors respectively.

Evaluation Framework

1. The following criteria are employed in evaluating the Bank's performance:
 - 1.1 Profitability
 - 1.2 Overall Financial Status
 - 1.3 The Bank's Strategy and Goals Formulation
 - 1.4 Risk Takings and Risk Management System
 - 1.5 Overall Effectiveness of the Bank's Management
 - 1.6 Human Resource Management Efficiency
 - 1.7 The Bank's Image and Perception Towards Its Stakeholders
 - 1.8 Collaboration and Efficiency in Working with the Board of Directors
2. The following criteria are employed in evaluating the CEO's performance:
 - 2.1 Visionary Leader
 - 2.1.1 Establishing Direction and Group Business Structuring
 - 2.1.2 Driving Synergies and Collaboration
 - 2.1.3 Creating Differentiated Positioning
 - 2.2 Corporate Governance
 - 2.2.1 Implementing Corporate Governance
 - 2.2.2 Being Responsive to Stakeholders' Concerns and Needs
 - 2.2.3 Managing Effectiveness of Committees
 - 2.3 Leadership Role Model
 - 2.3.1 Aligning Executives and Stakeholders
 - 2.3.2 Demonstrating Good Governance Practices and Attitudes



3. The following criteria are used in evaluating the President's performance:

3.1 Visionary Leader

- 3.1.1 Vision and Strategic Thinking
- 3.1.2 Conceptual Thinking
- 3.1.3 Organization Development
- 3.1.4 Understanding Stakeholders

3.2 Planning and Execution

- 3.2.1 Creating Alignment of Strategy Execution
- 3.2.2 Systematic Planning
- 3.2.3 Problem Solving and Decision Making
- 3.2.4 Collaborating with Related Committees
- 3.2.5 Corporate Governance Supervision

3.3 Leadership Role Model

- 3.3.1 Building Engagement among Executives
- 3.3.2 Achievement Motivation
- 3.3.3 Self Controlling and Working Under Pressure
- 3.3.4 Personnel Management and Development
- 3.3.5 Demonstrating Good Governance
- 3.3.6 Demonstrating a Sense of Belonging

3.4 Change Management

- 3.4.1 Pro-activeness
- 3.4.2 Leading Change

Besides the corporate governance practices mentioned above, there are some corporate governance assessment guidelines below which the Bank has not yet applied.

1. Using cumulative voting for electing directors.

The Bank does not use cumulative voting for electing directors as the Bank's Articles of Association states that a shareholder shall have one vote for one share and each shareholder shall use all his or her votes to elect one or several persons as a director. However, he or she may not divide his or her votes among any candidates.

2. Board of Directors to be comprised of five to twelve members.

The Bank's Board of Directors consists of fifteen members as the businesses of the Bank and its subsidiaries are commercial banking and capital market businesses which require directors from various fields. The Bank's Board of Directors therefore consists of members with diverse knowledge, experience and capabilities adequate to effectively perform duties.

3. The Board of Directors has more than 66% non-executive directors and more than 50% independent directors, while the Chairman of the Board of Directors is an independent director.

Presently, out of the total of fifteen directors, the Bank's Board of Directors has eight non-executive directors representing 53% and five independent directors representing 33%. Meanwhile, the Chairman of the Board of Directors is a non-executive director.

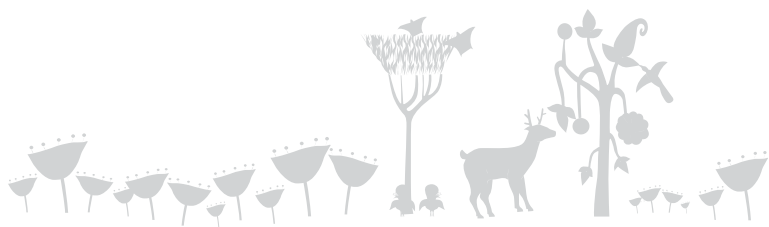
4. Limit on the number of years for independent directors to be in office.

The Bank's independent directors are qualified experts and have understanding of commercial banking and capital market businesses which require specific expertise, knowledge and experience. The Bank and shareholders deem that its independent directors are still able to independently perform their duties with responsibility.

Furthermore, the Bank is in the process of proceeding on the following matters in order to improve its operation to better comply with the corporate governance guidelines specified with regulatory bodies.

1. Hire an outside advisory firm to advise on the assessment of the Board of Directors; and

2. Set the long-term incentive policy for employees and executives which relates to the Bank's long-term operation result and value-added to shareholders. The long-term incentive for employees and executives has been included in the Group's business plan for years 2016 – 2018 which has been approved by the Board of Directors.



Supervision of Subsidiaries and Affiliates

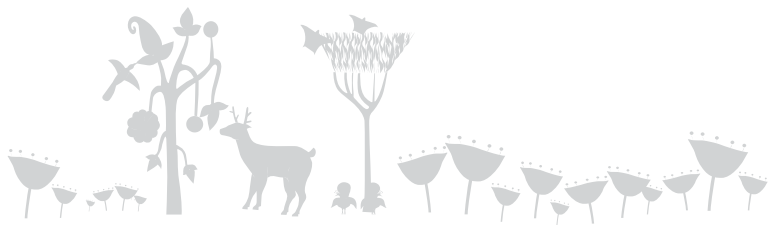
The Bank supervises the companies in the Group by having the Board of Directors determine the overall strategic direction and goals and approve the Group's policies and business direction proposed by the Executive Committee and the nomination of qualified candidates for Managing Director/ President of the companies in the Group selected and proposed by the Nomination and Remuneration Committee to act as the Bank's representatives in overseeing the Group's business operations.

In relation to an oversight of overall management, the Bank, through the Board of Directors has established the Group's monitoring and overseeing structure which covers the areas of risk management, internal control system monitoring, compliance and business administration.

As the Bank recognizes the importance of information disclosure under the Corporate Governance Principles, the Board of Directors has assigned Compliance and Governance Committee to supervise the Group's regulatory compliance through the Bank's Compliance unit who shall be responsible for monitoring performance of the Group's Compliance units and directly reports to the Committee.

Moreover, the Board of Directors has assigned the Audit Committee to ensure appropriate and efficient internal control system by having the Bank's Internal Audit unit oversee the internal audit system, monitor performance of the Group's Internal Audit units and directly reports to the Committee. In addition, the Board of Directors of the companies in the Capital Market Business and/ or the Audit Committee of those companies, through the Group's Internal Audit units, shall be responsible for supervising the companies in the Group to operate under sufficient and appropriate internal control system and directly reports to the Bank's Audit Committee.

This year, the Bank has revised the Guideline on the Group's supervision and the Bank's other policies and regulations in relation to overseeing the Group's business operation in order to enhance working procedures, to prevent conflict of interest on which the Bank places importance and to align with the BOT's guidelines on consolidated supervision, SET and SEC regulations such as, the Group's Conflict of Interest Policy, Trading Book Policy, Strategic Risk Management Policy and Guidelines for Reporting Connected Transaction and Strategic Shareholders, etc.



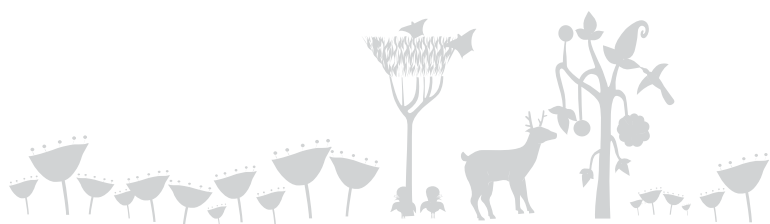
Supervision of Usage of Internal Information

The Bank has issued a written directive forbidding the use of internal information for personal gain or others which would be taking advantage of others. The Bank has forbidden directors, executives, employees and related persons including spouse and children and adopted children who are under the legal age to use any undisclosed information which could affect the change in the value of the shares or for the securities trading of the Bank. The directors, executives and employees who can access such undisclosed information must ask for approval prior to trading securities of the Bank at least one day and the approval is valid from the next business day until the end of the next third business day. In addition, the Bank has instructed that directors, executives, their spouses and children who are under the legal age and any other related persons to report (Form 59-2), any changes in the status of their holdings of the Bank's securities, within three business days since the date of purchase, sale, transfer or receipt of such securities to the SEC and also hand in a copy of the form to the corporate secretary, so it will be reported in the Board of Directors' meeting and disclosed in the annual report.

The Bank has forbidden any directors, executives or employees, who are aware of the Bank's important information and financial statements, to trade the Bank's securities, seven days prior to the end of the quarter until at least one trading session has elapsed after the Bank's financial statement has been made available to the public. However, this regulation does not include the issuance of the warrants to purchase new ordinary shares offered to executives or employees of the Bank.

In addition, the Bank has also continually provided information on the practices of the usage of internal Information communication within the Bank's directors, executives and employees at all levels throughout the entire organization, so that they are aware of the duties and responsibilities as set out in the Bank's regulations.

The Internal Audit Group reviews the practice of the usage of internal information and compliance with the Guidelines for Business Conduct. Any violations will be reported to the Audit Committee and the Board of Directors for consideration according to the Bank's regulations.



Auditor's Remuneration

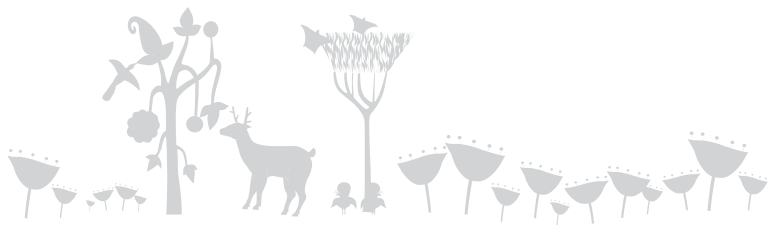
In 2015, the Bank and its subsidiaries engaged PricewaterhouseCoopers ABAS Ltd. as an external auditor for the Bank and its subsidiaries and incurred the fee charge as follows:

Audit Fee

The Bank and its subsidiaries engaged PricewaterhouseCoopers ABAS Ltd. for audit and other audit-related services and incurred expenses including the audit fee totaling Baht 13.35 million.

Non-audit Fee

The Bank and its subsidiaries paid the non-audit fee for other services including services for electronic fund transfer audit, financial and tax due diligence, and performing reasonable assurance on adequacy and operating effectiveness of the operational control and security of IT relating to main securities trading and operational system, as required by the SEC., to PricewaterhouseCoopers ABAS Ltd., totaling Baht 2.63 million.



Internal Controls

Summary of Internal Controls and Risk Management

The Group pays attention to the importance of good governance and requires its executives and employees to abide by the following guidelines:

- Promote, support and establish greater understanding of internal controls, as well as create positive relationships and widespread acceptance among executives and employees on their particular duties and roles through effective corporate communications fostered by the senior executives.
- Promote and support the implementation of a self-regulation process in each division or business unit with adherence to the internal control frameworks and guidance of COSO Enterprise Risk Management (COSO ERM).

Internal Controls

It is the Group's policy to foster an effective and efficient self-regulation process, internal controls, and risk management. The Audit Committee, the Compliance and Governance Committee, the Risk Management Committee, and the assigned executives regularly review the efficiency of the three such processes, which govern financial controls, operations and compliance. Accordingly, internal control elements are being assessed, particularly in eight aspects, namely Internal Environment, Objective Setting, Event Identification, Risk Assessment, Risk Response, Control Activities, Information and Communication and Monitoring. The Group also takes appropriate actions to assure consistent improvements on the three such processes.

To conform to the frameworks and guidance of good governance, internal controls and risk management, as prescribed in the eight components of COSO ERM, the Group undertakes the following actions:

1) Internal Environment

The Group encourages its directors, executives and all staff to recognize the necessity of an internal control system. The Board of Directors and board-appointed committees ensure that business objectives are clearly stated and

assessable, and are applicable as staff practice guidelines. The organizational structure is designed to enable efficient management of business operations. The Group prescribes in writing its Guidelines for Business Conduct and conflict of interest policy which prohibit executives and employees from acting in a manner that would create a conflict with the organization's interests, as well as prescribing penalties for violations thereof. The Group has established the Internal Audit Group, the Compliance Department, and the Risk Management Group which are the key supporting arms ensuring efficiency of good governance, internal controls, and risk management. The Group has also established in writing policies and procedures that strictly govern financial transactions, procurement, general administration and fraud protection measures. In addition, it has set strategies on human resources management and prescribes staff policies regarding selection, recruitment, orientation and training & development. Other internal control mechanisms include supervision and team management, and appropriate checks and balances in each of the Group's business functions.

2) Objective Setting

Each of the Group's business units is required to set its objectives that are linked to the Group's corporate vision, mission and strategies, with clearly defined key performance indicators. In brief, the "SMART" concept, which is an acronym for criteria for setting of objectives that represent business imperatives, is applied. This concept includes the following:

Specific: targeted returns or outcomes are clearly defined and comprehensible to all employees.

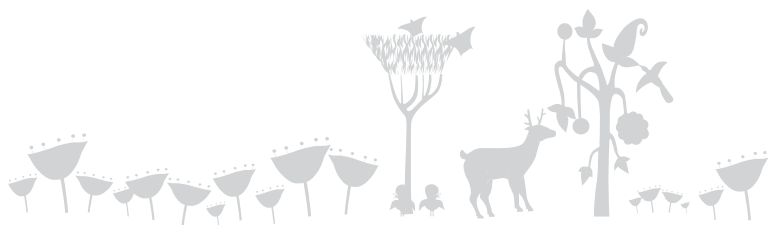
Measurable: achievements can be quantified and measured.

Achievable: targets are possible to achieve under the availability of the Bank's current resources.

Relevant: conform to the Bank's operation strategies and targets.

Timeliness: achievement timeframe is clearly specified.

All of these objective settings aim to create efficiency, appropriateness and a common ground on corporate direction for an acceptable risk level.



3) Event Identification

The Group identifies internal and external events that can affect its achievement targets for business operations. Appropriate stress test assessments under given stress scenarios are implemented to evaluate the severity of potential losses or adversity, as well as to find proper response planning for such outcomes. The Bank's Risk Management Group, under the supervision of the Risk Management Committee, generally performs regular reviews of stress test procedures and environment in accordance with the risk management framework and policy prescribed by the Bank of Thailand.

4) Risk Assessment

The Bank consistently and continually fosters risk management policy and risk assessment processes, evaluates both internal and external risk factors that may materially affect the Bank's business operations, establishes control measures to monitor circumstance changes in such factors and implements mitigation measures thereof. The Risk Management Group, under the supervision of the Risk Management Committee, regularly communicates with relevant functions of the Group to remain aware and comply with such risk management measures. The Internal Audit Group shall review and monitor relevant implementations thereof to assure compliance with the prescribed risk management plans by each unit.

5) Risk Response

The Risk Management Group, together with related business units, determines risk response methods for mitigation of such risk to an acceptable threshold. Exploring appropriate risk response methods to the probability or consequences of a risk event is undertaken via cost-benefit analysis. The Group continually and consistently monitors and reviews its risk response measures.

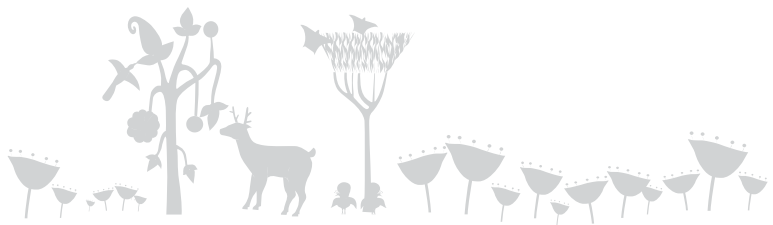
6) Control Activities

The Group clearly prescribes in writing its delegation of authority governing all its authority levels in the management and committees. The controls include the segregation of duties and responsibilities of various functional roles, involving granting of approval and authorization, recording

of information data and recognition of accounting entries, as well as fiduciary duty and property management. The actions create a check-and-balance mechanism. In the event that the Group undertakes transactions with its major shareholders, directors, executives or connected parties thereof, the Group also sets approval measures to govern such transactions, and in the event that the Group has investments in its subsidiaries or affiliates, the Group also monitors the business operations of such entities on a regular basis. The Group provides strategic directions to an individual whom it has appointed to serve as director or management of such entities to comply with. The Compliance Department monitors legal compliance of the Group to assure the mitigation of reputation risk. In the event of error and deficiency, a fact-finding panel comprising an independent body shall be established to investigate facts as well as to propose remedial and improvement methods to prevent any recurrence of such error and deficiency.

7) Information & Communication

The Group has arranged to have an information technology system that can adequately support information management. It has also established comprehensive intra-corporate communications that are high-quality, clear, timely and with organization-wide coverage. The system, which has the beneficial features of completeness, simplicity and an easy-to-use pattern, provides support to decision-making with data storage and data classification. The Bank has set up a Committee for Process Development and Information Technology to define its development targets for internal work process and IT improvements to be in line with its overall policy objectives. It also promotes knowledge management activities to make knowledge and proficiency accessible to all employees and encourages them to apply such knowledge and proficiency in their work duties. The Group also promotes business expertise and advisory skills among employees to enable them to better serve their clients, trade partners and related parties, as well as render maximized corporate benefits as per the Group's targeted vision and mission.



8) Monitoring

The Group has processes, procedures and tools to support its executives, Board members and committees to monitor business operations, improve efficiency and make assessments according to the key performance indicators. All these help in assuring performances and on-going efficiency of the internal control system and are regularly adjusted with changes in circumstances. It also assures that any errors or omissions are promptly identified for remediation. The Group prescribes the reporting of its operational results, performances, and comparative performance targets on a monthly and quarterly basis, according to their relative importance and impacts. It also monitors and reports incurred losses for assessment and review of operation process and efficiency of applied risk management tools. The monitoring process includes reviews of minutes of meetings, loss reports, complaints, and random checks on self-assessment reports made in accordance with self-regulation and self-control concepts. The monitoring actions are made by the Compliance Department, Risk Management Group and Internal Audit Group, together with investigations by external auditors. The Board of Directors also assesses the adequacy of the internal control system on an annual basis, to assure that the Group has appropriate internal control systems, thus making it capable of achieving its targeted goals.

Summary of the Opinions of the Board of Directors to Internal Controls

The Board of Directors is of the opinion that the Bank and its subsidiaries have sufficient and appropriate internal control systems, which can protect the assets of the Bank and its subsidiaries from any misappropriation or unauthorized action of directors or executives. In the past year the Bank and its subsidiaries had some deficiencies in its internal control systems and management has given serious attention to these issues in order to correct and improve the performance of the system. The Audit Committee shared similar views to those of the Board of Directors. The external auditors did not make any remarks which could be deemed

as being of any significance on the Group's internal controls. The related party transactions between the Group and persons who could present potential conflicts of interest which are necessary, undertaken in the ordinary course of business, and at market price, are disclosed in the notes to the financial statements.

The Group arranges to have internal control assessment surveys every year. In 2015, the Group's management was engaged in assessing the adequacy of internal controls using the SEC's checklist, which was developed under the New COSO 2013 framework. The assessment results had been reviewed by the Audit Committee and the Board of Directors in order to exchange views and have a common understanding over the state of internal controls so that appropriate actions could be further determined.

Chief of the Internal Auditor

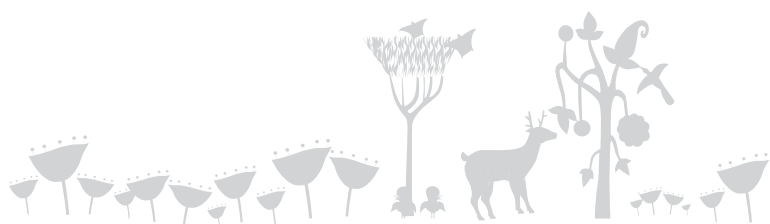
During the meeting of the Audit Committee no.1/2012 dated on January 11, 2012, the Committee approved the appointment of Dr.Narong Preedanana to hold the position of Executive Vice President, Head of Internal Audit Group. The decision was submitted to the Board of Directors for further approval. Dr.Narong Preedanana has over twenty years of internal audit work experience with leading financial institutions. He sufficiently attended various internal audit training courses and has a good understanding of the Group's business and operations, and thus is suitable to perform his assigned tasks. The decisions on appointment, transfer, dismissal of the Chief of the Internal Audit require approval from the Audit Committee. His qualifications are as follows:

Dr. Narong Preedanana

Executive Vice President, Internal Audit Group

Education

- Doctor of Business Administration (DBA), University of South Australia, Australia
- MBA, University of Leicester, UK
- BA (Accounting & Finance), Chulalongkorn University



Professional Certificates

- CFSA (Certified Financial Service Auditor, IIA)
- CCSA (Certification in Control Self Assessment, IIA)
- CRISC (Certified in Risk and Information System Control, ISACA)

Work Experience

2012 - Present	Executive Vice President, Head of Internal Audit Group, Kiatnakin Bank Public Company Limited
2004 - 2011	Senior Vice President, Group Audit, TMB Bank Public Company Limited
2001 - 2003	Vice President, Financial Markets Audit, DBS Thai Dhanu Bank Public Company Limited
1997 - 2000	Vice President, Head of Internal Audit, Thailand Securities Finance Cooperation (TSFC) Securities Company Limited
1992 - 1996	Senior Manager, Finance One Public Company Limited
1991 - 1992	Management Internal Control, the Chase Manhattan Bank N.A.
1987 - 1990	Audit Officer, Siam Commercial Bank Public Company Limited

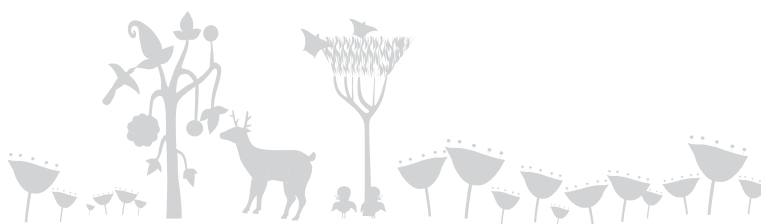
Training

- Thai Corporate Moving toward Sustainable Growth, DJSI organized by the SET
- New Transfer Pricing Legislation organized by PricewaterhouseCoopers ABAS Co., Ltd.
- Verifying the CAC Checklist : Experience Sharing from Auditors organized by the Thai Institute of Directors Association
- New COSO Internal Control Framework 2013 organized by the SET
- Workshop for Practical Issues in Thai Financial Reporting Standards organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Information Technology and Audit to Prevent Fraud organized by the Fraud Risk & Investigation Association

- Final FATCA Regulations Workshop organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- TFRS & IFRS Excellence organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Director Certification Program (DCP) organized by the Thai Institute of Directors Association
- Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association
- Knowledge relating to Internal Audit profession, Banking and Financial Markets; e.g. Internal Audit Workshop (London), Derivatives (DBS Bank/Singapore), New Financial Instruments: Accounting & Taxation (Euromoney/ Hong Kong), Fundamental of Financial Derivatives, Treasury System (Australia), Bond/Debtenture (Euromoney), Credit Training Programme, Asset Liability Management, Enterprise Risk Management (COSO ERM)

Chief of Compliance

During the meeting of the Board of Directors no.1/2014 dated on January 31, 2014, the Board resolved the appointment of Mr. Aphichart Chongsanguanpradab to hold the position of Executive Vice President, Compliance Department, effective as of February 1, 2014 and the Bank of Thailand has approved such appointment. Mr. Aphichart Chongsanguanpradab has over eighteen years of experience in compliance, supervisory policy for securities business, and internal audit of financial institutions. He attended various training courses, Operational Supervision for Head of Compliance, for three courses organized by Thai Bankers' Association together with Thai Institute of Banking and Finance Association, the Association of Investment Management Companies (AIMC) and the Association of Thai Securities Companies (ASCO) including the Compliance Officer Program organized by the Bank of Thailand together with the Faculty of Law, Chulalongkorn University and the Thai Bankers' Association. His qualifications are as follows:



Mr. Aphichart Chongsanganpradab

Executive Vice President, Compliance Department

1997 - 1999

Internal Auditor, Bangkok Bank
Public Company Limited

Education

- Bachelor of Accountancy, Chulalongkorn University
- Master of Business administration with Finance Concentration, Eastern Michigan University

Certificates or Diploma Programs

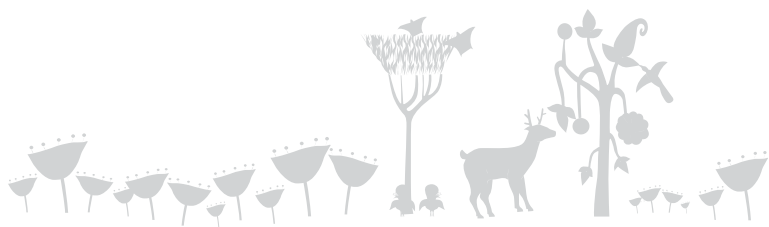
- Operational Supervision for Head of Compliance in 2015 organized by Thai Bankers' Association together with Thai Institute of Banking and Finance Association for Head of Compliance Unit in 2015
- Compliance Refresher Course in 2015 organized by the Association of Investment Management Companies (AIMC)
- Asco Compliance Training Program in 2015 organized by the Association of Thai Securities Companies
- Compliance Officer of Commercial Bank organized by the Bank of Thailand together with the Faculty of Law, Chulalongkorn University and the Thai Bankers' Association
- Bond Regulatory Update organized by the Thai Bond Market Association

Work Experiences

2014 - Present	Executive Vice President, Compliance Department, Kiatnakin Bank Public Company Limited
2011 - 2014	Head of Operations Department, Phatra Securities Public Company Limited
2010 - 2011	Compliance Officer, Credit Suisse (Thailand) Securities Company Limited
2004 - 2010	Head of Compliance, Phatra Securities Public Company Limited
2003 - 2004	Compliance Officer, Merrill Lynch International Bank Limited (Merchant Bank) (Singapore Branch)
1999 - 2003	Compliance Officer, Merrill Lynch Phatra Securities Company Limited

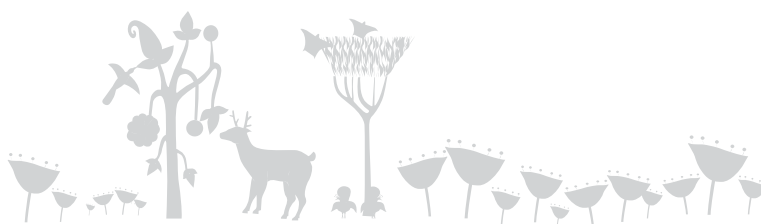
Training Programs

- The Role of Financial Institutions provides to support Anti-Money Laundering and Counter Financing of Terrorist (AML/CFT) organized by Supervision and Examination Division of the Anti-Money Laundering Office
- Preparation for Asian Economic Community in the Bank' AML transaction reports organized by the Anti-Money Laundering Office
- Operational Understanding in accordance with the AML/CFT Act organized by the Anti-Money Laundering Office
- Preparation for AML/CFT international standard assessment organized by the Anti-Money Laundering Office
- Compliance Meeting Training Program 2014 for Compliance Officer organized by the SEC
- Financial Action Task Force (FATF): Anti-Money Laundering and Audit organized by the Thai Institute of Banking and Finance Association
- Overview of Legal and Regulatory Regime, Sanctions, Cross-border Projects and ASEAN Integration 2015 organized by Myanmar Legal Services Company Limited
- Enhanced Tax Enforcement Under FATCA: What are the Risks to Asia's Financial Institutions organized by Chandler & Thong-EK Law Offices Company Limited
- Fraud Risk in Financial Institutions (Best practice) organized by the Thai Institute of Banking and Finance Association
- Customer Due Diligence Ministerial Rules (B.E.2556) organized by the Anti-Money Laundering Office
- FATCA Training Workshop organized by KPMG (Thailand) Company Limited
- FATCA Training organized by Standard Chartered Bank (Thai) Public Company Limited



Roles and Responsibilities of Chief of Compliance

1. Provide departmental strategic plan (business, budget, resource plans) consistent with organization direction and strategy
2. Determine departmental goals and objectives which are appropriate with organizational direction as well as their benchmarks with the management
3. Prepare performance evaluation, monitoring, following up on guidelines and performing assessments as such
4. Determine and approve compliance policies
5. Develop conclusive compliance system/process and update relevant laws as well as distribute notices, guidelines, policies, manual, including KM distribution
6. Advise and provide training in relation to policies, process or other matters with respect to relevant laws, rules and other guidelines, especially those in connection with new products or financial transactions to directors, management and employees
7. Assess the process sufficiency and effectiveness and provide solutions to other parties to improve processes which are in connection with compliance matters
8. Determine guidelines for record retention for agreements which the bank entered into with clients, e.g. hire purchase agreements, loan agreements, etc.
9. Determine and evaluate guidelines for compliance surveillance program with relevant laws and regulations enforced on financial institutions and report any potential regulatory risks
10. Determine guidelines for compliance surveillance program with the bank policies, notices, processes and work manuals
11. Determine guidelines with other parties to improve work process which is in relation to regulatory compliance
12. Monitor, analyze and investigate transactions for any potentially suspicious transactions as well as report to Anti-Money Laundering Office and collectively consider mutual resolution.



Related Party Transactions

In 2014 and 2015, the Bank performed related party transactions, which were transacted to support its normal course of business operations. The Bank also maintains the prescribed procedures governing related party transactions that are in accordance with the guidelines set forth by the SEC. These related party transactions do not lead to any conflict of interest.

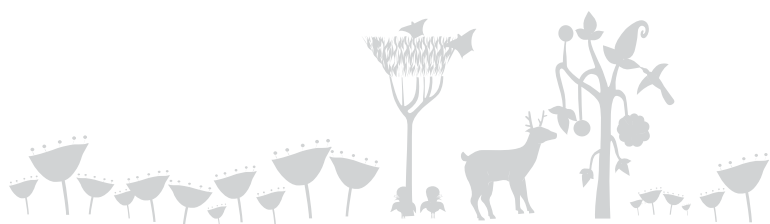
Measures or Procedures Governing Approval of Related Party Transactions

The Bank pays attention towards protections against any circumstances that threaten to give rise to any conflict of interest. When considering entering into any related party transactions with any party or person that may have any potential conflict of interest, such transaction shall be considered by the Bank on a similar basis as, and no less favorable to any other transaction undertaken with any unrelated third-party. It also prescribes that its directors and executives who have special interest in any particular transaction shall not be entitled to cast their vote on the approval thereof.

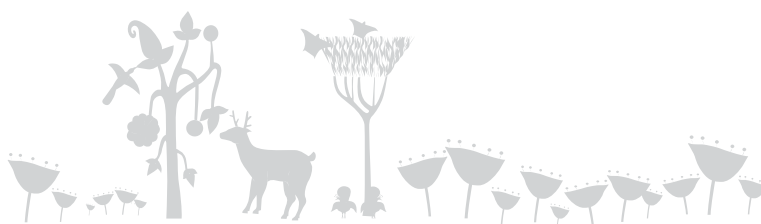
Significant Related Party Transactions

1. Significant related party transactions with subsidiaries and related party

Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)		Reasons and Necessities
			2014	2015	
Phatra Capital Public Company Limited/ PHATRA	99.98% owned by the Bank	- Loans	1,350.00	1,500.00	The Bank calculated interest at the normal rate similar to regular clients.
		- Other assets	1.00	7.44	
		- Other liabilities	56.37	74.46	
		- Interest income	121.37	80.50	
		- Dividend income	515.13	504.62	
		- Other income	2.23	3.13	
		- Other expense	78.07	97.63	
Phatra Securities Public Company Limited/ PTSEC	Indirectly holding via PHATRA of 99.95%	- Loans	-	1,400.00	The Bank calculated interest at the normal rate similar to regular clients.
		- Deposit	0.20	1.57	
		- Other assets	3.19	32.62	
		- Borrowings	200.00	-	
		- Other liabilities	9.94	26.25	
		- Interest income	2.37	0.84	
		- Other income	5.83	37.44	
		- Interest expense	7.93	3.28	
		- Other expense	9.80	28.77	
		- Contingencies	31.68	-	
					The Bank issued L/G for PTSEC.



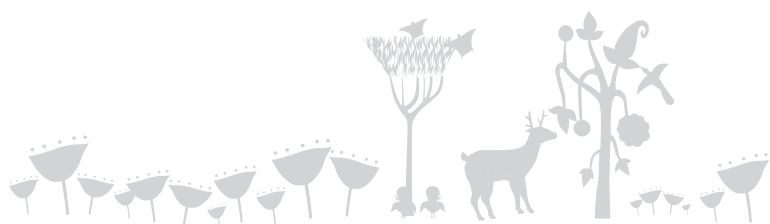
Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)		Reasons and Necessities
			2014	2015	
KKTRADE Securities Company Limited/ KKTRADE	Indirectly holding via PHATRA of 99.97%	- Deposit	55.65	147.01	The Bank calculated interest at the normal rate similar to regular clients.
		- Other assets	0.11	0.39	
		- Borrowings	60.00	30.00	
		- Other liabilities	5.75	2.78	
		- Interest income	2.06	0.77	
		- Other income	11.12	9.95	
		- Interest expense	31.86	28.24	
Phatra Asset Management Company Limited/ PASSET	Indirectly holding via PHATRA of 99.97%	- Other assets	0.20	0.37	
		- Other income	2.34	5.65	
Erawan Law Office Company Limited	99.93% owned by the Bank	- Deposit	38.47	59.95	The Bank calculated interest at the normal rate similar to regular clients.
		- Other assets	0.05	-	
		- Dividend income	34.98	-	
		- Other income	5.78	6.06	
		- Interest expense	0.16	0.21	
		- Other expense	81.00	85.50	
The Asia Recovery 1 Fund	99.95% owned by the Bank	- Dividend income and profit sharing	84.96	81.26	
		- Other income	0.24	0.24	
The Asia Recovery 2 Fund	99.59% owned by the Bank	- Dividend income and profit sharing	298.75	-	Gain (loss) on redemption
		- Other income	(11.01)	0.24	
The Asia Recovery 3 Fund	99.97% owned by the Bank	- Dividend income and profit sharing	209.94	95.55	
		- Other income	2.01	2.62	
Thai Restructuring Fund	98.91% owned by the Bank	- Dividend income and profit sharing	103.86	49.95	
		- Other income	4.83	11.72	
Asia Recovery Property Fund 1	-	- Dividend income and profit sharing	-	30.51	
Asia Recovery Property Fund 3	98.77% owned by the Bank	- Dividend income and profit sharing	59.26	113.93	
		- Other income	-	12.98	



Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)		Reasons and Necessities
			2014	2015	
Bangkok Capital Fund	95.72% owned by the Bank	- Deposit	19.03	252.25	The Bank calculated interest at the normal rate similar to regular clients.
		- Dividend income and profit sharing	574.31	1,426.55	
		- Other income	33.67	8.31	
		- Interest Expenses	0.01	0.01	
Gamma Capital Fund	94.03% owned by the Bank	- Deposit	50.19	137.45	The Bank calculated interest at the normal rate similar to regular clients.
		- Dividend income	648.79	546.20	
		- Other income	0.43	16.80	
		- Interest Expenses	0.01	0.01	
CMIC Development Company Limited / CMIC	80.58% owned by the Bank	- Loan	140.00	974.75	The Bank calculated interest at the normal rate similar to regular clients.
		- Deposit	17.59	4.32	
		- Other assets	49.68	48.86	
		- Other liabilities	2.83	7.56	
		- Interest income	12.85	27.12	
		- Interest expenses	0.23	0.16	
		- Rental and service Expenses	122.77	133.06	

2. Related transaction between the Bank and other business entities in which the directors, key executives and related persons have significant influence

Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)		Reasons and Necessities
			2014	2015	
Business entities in which the directors, key executives and related persons have significant influence	Business entities are related to the directors and executives	- Deposit	79.59	144.52	The Bank calculated interest at the normal rate similar to regular clients.
		- Interest expense	3.45	1.10	
		- Other expenses	77.46	72.59	
		- Other liabilities	8.36	4.27	



3. Related transaction between the Bank and directors, key executives and related persons have significant influence

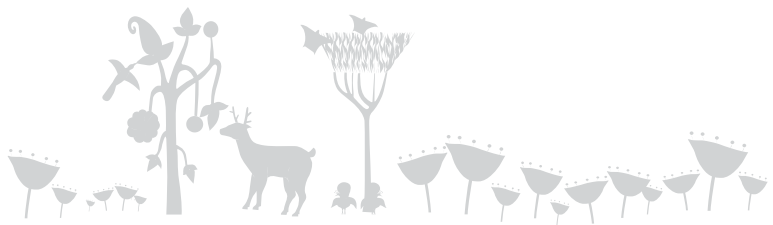
Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)		Reasons and Necessities
			2014	2015	
Directors/ key executives/ related persons	Directors/ key executives/ related persons	- Deposit	332.35	377.59	The Bank calculated interest at the normal rate similar to regular clients.
		- Loan	-	2.28	
		- Interest expense	9.40	7.64	PTSEC, KKTRADE and PASSET provide services and charge at the same commission rate as other regular clients.
		- Brokerage income	17.48	19.43	

Policy and Outlook for Future Related Party Transactions

It is not the Bank's and its subsidiaries' policy to encourage the transacting of related party transactions with any party or persons that may have any potential conflict of interest, unless such transactions are those which occur in their normal course of business operations. In that regard, such related party transactions shall maintain their pricing or terms which are no different from those transacted between the Bank and any unrelated third-party. The Bank and its subsidiaries shall regularly review their related party transactions on a quarterly basis and duly report any irregularities to the Audit Committee.

Reasons Behind the Holding of the Bank and its Subsidiaries' shares in Excess of 10.00% by a Person that May Have Potential Conflict, Instead of Direct Holdings

It is not the Bank's policy to have a person that may have potential conflict hold shares in its subsidiaries on behalf of the Bank.



Responsibility of the Board of Directors to the Financial Report

The Board of Directors is accountable for the Bank's financial statements and consolidated financial statements as well as other financial information as presented in the annual report. The financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on a conservative and consistent basis and used the best estimations where necessary. Adequate disclosures have been made in the notes to the financial statements. All the disclosures and implementation of financial statements are in accordance with laws and regulations of the Bank of Thailand, the SEC and the SET. In addition, these financial statements have been audited by independent auditors, who have given their unqualified opinion. Therefore, the financial statements present fairly, in all material respects, the financial position and performance of the Bank and its subsidiaries in the past year, which has been correct, transparent, and useful to shareholders and all investors.

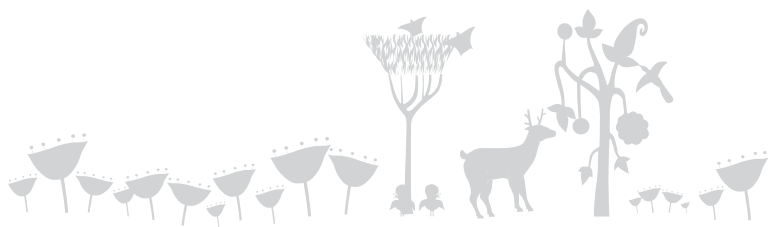
The Board of Directors has adopted and maintained appropriate and effective systems of risk management, internal control, internal audit and compliance to ensure that all accounting records are accurate, complete and sufficient. These systems facilitate the Bank in maintaining all of its assets as well as preventing any damage from other significant irregularities in the operations of the Bank.

In this respect, the Board of Directors has appointed the Audit Committee consisting of independent directors to be responsible for the following duties: assuring the accuracy and sufficiency of the Bank's financial reports, overseeing and cross-examining the Bank's internal control system as well as its internal audit and reviewing all disclosures of the Bank's related transactions or conflict of interest for the greatest accuracy and completeness. The opinion of the Audit Committee related to these matters is merely stated in the Report of the Audit Committee section in the annual report and the annual registration statement (Form 56-1).

The Board of Directors is of the opinion that the overall internal control system of the Bank is sufficient, well-managed and satisfactory to provide reasonable confidence in the reliability of the financial statements and the consolidated financial statements of the Bank and its subsidiaries for the accounting year ending December 31, 2015.

Mr. Supol Wattanavekin
Chairman

Mr. Aphinant Klewpatinond
Chief Executive Officer and President



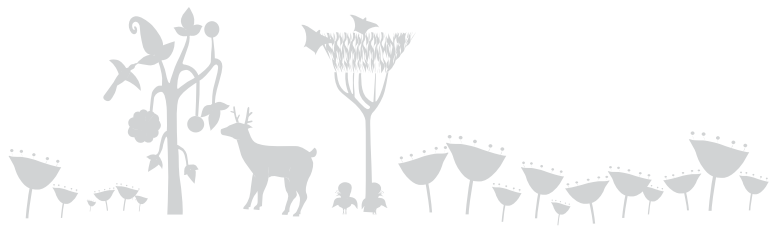
Report of the Audit Committee

The Audit Committee of Kiatnakin Bank Public Company Limited (the “Committee”) comprises three independence directors, each of whom possesses extensive knowledge and experience in finance, accounting, economic and organization management. The terms of service are as follows.

- January 1, 2015 - April 23, 2015: consists of Mr. Pichai Dachanapirom as a chairman, associated with Mr. Chet Pattrakornkul and Mr. Pravut Varutbangkul as members.
- April 30, 2015 - December 31, 2015: consists of Mrs. Dayana Bunnag as a chairwoman, associated with Mr. Chet Pattrakornkul and Mr. Pravut Varutbangkul as members.

In 2015 the Committee had eight meetings, with the attendance record of each committee member reported under the Management Structure section in the Annual Report to perform duties in accordance with the role set forth in its charter, in summary:

- In each quarter, the Committee reviewed the financial reports through a meeting with executives of the Finance and Budgeting Group, and external auditors to consider all comments made from the auditing and reviewing of financial statements. In addition, on a half-yearly basis, the Committee and external auditors had meetings arranged without the attendance of the executives.
- By working together with the internal auditors, the Committee reviewed the internal control system and the security of the Bank’s information technology system to assess the efficiency and sufficiency of both systems. Moreover, in 2015, the Bank’s management was engaged in assessing the adequacy of internal control, using an SEC checklist which was developed under the New COSO 2013 framework. The assessment results were reviewed by the Committee and the Board of Directors in order to exchange views and develop mutual understanding over the state of internal controls so that appropriate actions could be further determined.
- The Committee reviewed and approved the Annual Internal Audit Plan, determined the independence of the Internal Audit Unit and reviewed the annual performance of the Internal Audit Head.
- On a quarterly basis, the Committee reviewed the Bank’s enterprise risk management, especially ones linked to the internal control system, through the reports of Internal Audit.
- The Committee reviewed related-party transactions or transactions that may lead to conflict of interest to ensure that they were in compliance with the laws and regulations imposed by the SET, and were reasonable and for the highest benefit of the Bank.
- On a quarterly basis, the Committee reviewed the Internal Audit’s report to assess whether disclosure and appropriate surveillance and monitoring programs were in place to ensure compliance with the laws and regulations relating to the banking business, including those imposed by the Bank of Thailand, the SEC, the Office of Insurance Commission, and the Anti-Money Laundering Office, etc.
- The Committee reviewed the performance of the Bank’s external auditors on their duties over the year. The Committee is of the opinion that the auditors of PricewaterhouseCoopers ABAS Ltd. are independent, possess great skill and knowledge about international auditing standards, and have sufficient resources. In addition, the auditors demonstrated a high level of proficiency in auditing banking and securities business. As a result, the Committee considered and re-nominated PricewaterhouseCoopers ABAS Ltd. as the auditors of the Bank for the year 2016. The Committee has submitted its recommendation on the appointment and remuneration of the Bank’s external auditor to the Board of Directors, to be proposed to the shareholders’ meeting for approval.

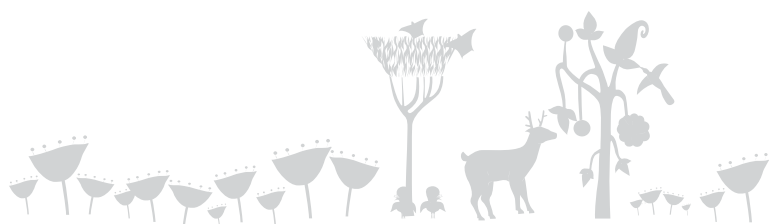


According to a self-assessment carried out in 2015, the results suggested that the Committee has satisfactorily discharged its duties in accordance with the requirements set out in the Committee's charter. Nevertheless, the Committee is of the view that the charter of the Audit Committee should be improved in order to ensure efficiency and clearer scope of duties.

In summary, the Committee has performed its duties independently and has been open in expressing its opinions for the best benefit of the Bank. The Committee is of the opinion that the Bank has appropriate and efficient risk management, and sound internal controls in place for undertaking related party transactions, monitoring compliance with the rules and policies, and for other Bank operations. The financial statements of the Bank are reliable and have been constructed with sufficient control systems and in accordance with Thai Financial Reporting Standards.

As of January 19, 2015
On behalf of the Audit Committee

Mrs. Dayana Bunnag
Chairwoman of the Audit Committee



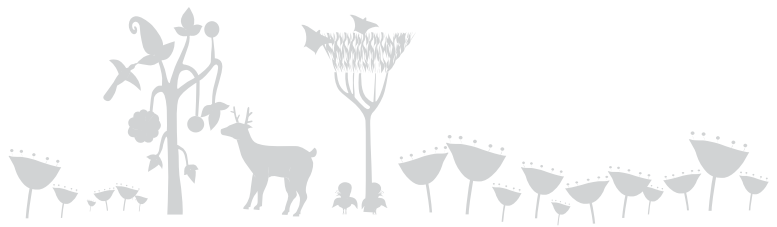
Report of the Nomination and Remuneration Committee

The Board of Directors, on October 26, 2002, resolved to appoint the Chairman and members of the Nomination and Remuneration Committee (the “Committee”) and amended the structure of the Committee to comply with the Bank of Thailand’s regulations on Corporate Governance of the Financial Institutions, and to increase the effectiveness of the Committee. Presently, the Committee consists of three independent directors as follows:

- | | |
|---|---|
| 1. Associate Professor Manop Bongsadadt | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Chet Pattrakornkul | Member of the Nomination and Remuneration Committee |
| 3. Mr. Pravut Varutbangkul | Member of the Nomination and Remuneration Committee |

In 2015, the Committee held seven meetings. Summary of the Committee’s key resolutions are presented below:

1. Selected and nominated candidates for the Bank’s director to replace the directors who were retired by rotation and proposed such candidates to the Board of Directors and subsequently to the annual shareholders meeting of shareholders for election.
2. Assessed and nominated qualified candidates for appointment as the Bank’s senior executives prior to proposing nominations to the Bank of Thailand for endorsement and subsequently to the Board of Directors for approval and appointment. Consideration of candidates’ qualification was given to ensure diversity and appropriateness in terms of knowledge, competence, experiences in order to strengthen and support the Bank’s business directions.
3. Monitored and ensured that structure, component and size of the Board of Directors was adequately effective in supporting the Bank’s business directions and complied with corporate governance.
4. Arranged the annual performance assessment of the Board of Directors, CEO and President. The assessments were conducted by members of the Board of Directors and other related committees. The assessment results, including all feedbacks and comments for increasing overall performance of the committees and senior executives, were reported to the Boards of Directors for consideration and acknowledgement.
5. Reviewed and ensured that the compensation of the Board of Directors and sub-committees’ members were appropriated given as assigned duties and responsibilities and competitive with banking industry practices prior to proposing to the Board of Directors for consideration and subsequently to the shareholder’s meeting for approval.

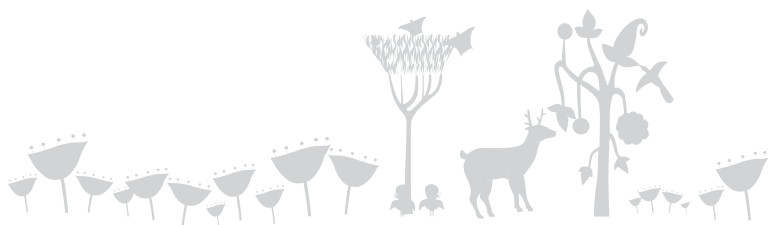


6. Acknowledged bonus and annual merit's budget criteria and guidelines, which were proposed by the Human Resources Committee and proposed to the Board of Directors for approval. The approved criteria and guidelines were basis for determining compensation and benefits for executives and directors in long term.
7. Approved compensation of the CEO and President based on scope of duties and responsibilities, and ability to increase long-term shareholders' values under the annual budget framework approved by the Board of Directors.
8. Provided guidance on succession planning of senior executive positions, to be implemented to ensure the Bank's business continuity and supporting business directions.

The Nomination and Remuneration Committee provided disclosure of relevant information on remuneration and compensation in various forms including the report of the Committee presented in 2015 Annual Report.

A handwritten signature in black ink, appearing to read 'Manop Bongsadadt'.

Associate Professor Manop Bongsadadt
Chairman of the Nomination and Remuneration Committee



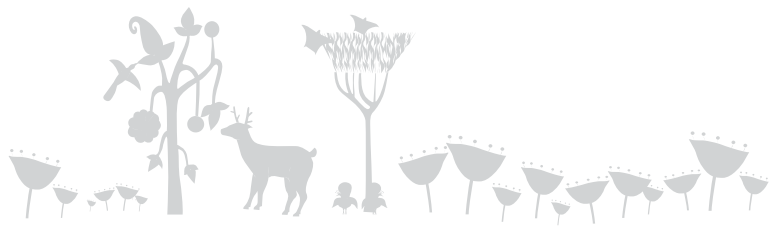
Report of the Compliance and Governance Committee

The Compliance and Governance Committee (the “Committee”) is comprised of the four following directors; Mr. Chet Pattrakomkul (an independent director and the Chairman of the Committee), Mr. Pravut Varutbangkul (an independent director), Mr. Tarnin Chirasoonton (a non-executive director) and Mrs. Patraporn Milindasuta (an executive director and the Chief Governance Officer). The Committee oversees the governance and compliance of the Bank and companies in the Group to ensure their compliance with laws, regulations, rules, and principles of good corporate governance. In 2015, the Committee held five meetings and undertook the following important actions:

- Reviewed the Corporate Governance Principles of the Bank and made suggestions on improvement to be in line with the additional adjustments in the Corporate Governance Guidelines for Thai Listed Companies and ASEAN Corporate Governance Scorecard and to be more comparable to international standards prior to proposing to the Bank’s Board of Directors for approval.
- Approved the action plans of the Compliance Department for year 2015.
- Monitored the implementation progress of the corrective actions required by the Bank of Thailand’s examiners and regulations of governing authorities, including meeting with executives, and made suggestions on the Bank’s operation improvement.
- Considered and expressed opinions on the compliance reports for year 2014 prior to submission to relevant governing authorities.
- Acknowledged the compliance reports of the Bank and companies in the Group proposed by the Compliance Department of the Bank and companies in the Group. The Committee also expressed its views and made suggestions on the improvement of the Bank’s and the Group’s compliance status to duly be in line with the prescribed regulations of governing authorities.
- Assessed the performance of the Compliance and Governance Committee. The results were used to review the annual performance.

In 2015, the Bank was bestowed the following awards which reflected the Bank’s management based on business conduct in accordance with good corporate governance:

- The award of “Excellence” from the quality assessment of its Annual General Meeting of Shareholders in 2015, presented by the Thai Investors Association, the Office of the Securities and Exchange Commission and Thai Listed Company Association, for nine consecutive years (2007-2015)
- “Excellent” CG Scoring from the Corporate Governance Report of Thai Listed Companies in 2015 and received five Logos : Excellent CG scores from the Thai Institute of Directors (IOD)
- For the Anti-Corruption Progress Indicators survey in 2015 which was distributed by the Office of the Securities and Exchange Commission in order to comply with the sustainable development plan for the listed companies, the Bank has been categorized in Level 4 “Certified” (from 5 levels). The Bank’s indicator indicates that it has already implemented an anti-corruption program which has been completely reviewed by the Audit Committee and has been certified as Thailand’s Private Sector Collective Action Coalition Against Corruption.

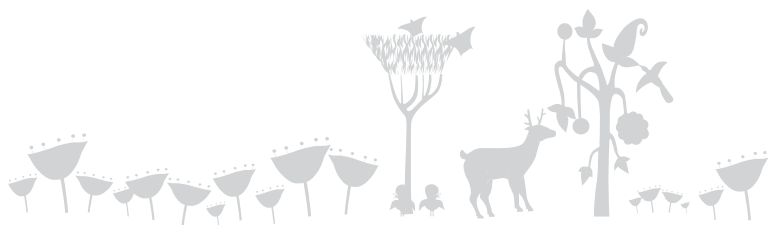


- Selected as one of 51 listed companies that have passed the assessment process in sustainability by the SET and nominated as one of the “2015 Thailand Sustainability Investment” list.
- The award of “Outstanding Contact Center and Consumer Problems Solving in 2015”, presented by the Office of the Consumer Protection Board and the Management System Certification Institute (Thailand).

The Bank believes in ethical business conduct and the merit of good corporate governance in creating value and enhancing confidence on the part of the shareholders, stakeholders and all concerned parties, as well as in promoting the Bank’s sustainable growth. The Bank is fully committed to pursuing best practice under good corporate governance principles.

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Mr. Chet Pattrakornkul
Chairman of the Compliance and Governance Committee



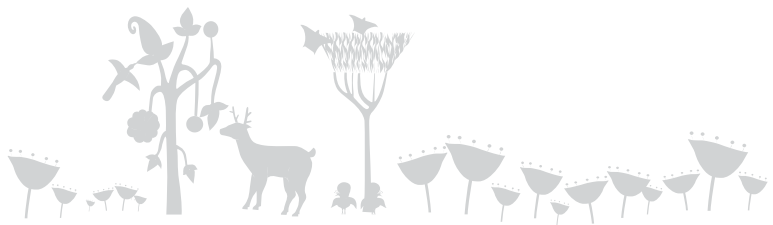
Report of the Risk Management Committee

The Risk Management Committee of Kiatnakin Bank Public Company Limited (the “Committee”) consists of nine members, namely Mr. Supol Wattanavekin (Chairman), Mr. Banyong Pongpanich, Mr. Anya Khanthavit, Mr. Aphinant Klewpatinond, Mr. Chavalit Chindavanig, Mr. Krittiya Veeraburus, Mrs. Patraporn Milindasuta, Mr. Pansalit Trakarnkitvichit and Mr. Norachet Sangruji.

In 2015, the Committee held fifteen meetings and performed its duties in accordance to the responsibilities assigned by the Board of Directors which can be summarized as follows:

1. Developed strategies that were consistent with the Bank's Risk Management Policy. The strategies should enable the Committee to assess, monitor and control risks to be at acceptable levels.
2. Reviewed and updated overall policies on risk management for the Bank and the Group and proposed to the Board of Directors for consideration and approval, such as Credit Risk Management Policy, Liquidity Risk Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Reputational Risk Management Policy, Loan Approval Policy, Investment and Trading Policy and Product Program Retail Loan Policy.
3. Reviewed and approved the criteria and regulations of the Bank and companies in the Group, such as criteria on loan approval and criteria on asset classification, and identified the situation and assumption for stress-testing (in accordance with ICAAP and Supervisory Scenario) in order to assess capital adequacy for year 2015, single lending limit plan and mitigation plan.
4. Approved the change of members in the sub-committees under supervision for more appropriateness. Also, the Committee acknowledged the performance of sub-committees under supervision.
5. Acknowledged the Bank and the Group's overall risks credit risk analysis and management report, operational risk and loss report, and issues from the Risk Management Committees of the subsidiaries in the capital market business.
6. Reported credit risk management policies and loan approval criteria to the Executive Committee and Board of Directors.

Mr. Supol Wattanavekin
Chairman of the Risk Management Committee

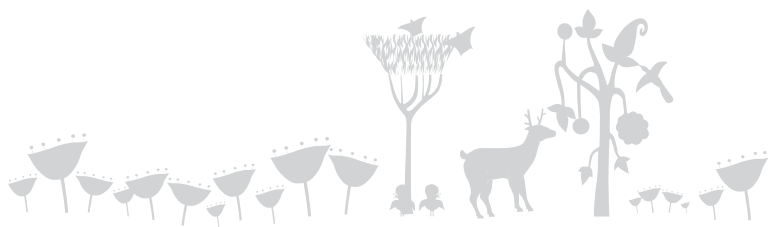


Report of the Executive Committee

The Executive Committee of Kiatnakin Bank Public Company Limited consists of Mr. Banyong Pongpanich as a chairman, associated with Mr. Suvit Mapaisansin, Mr. Aphinant Klewpatinond, Mr. Krittiya Veeraburus, Ms. Thitinan Wattanavekin and Mr. Pracha Chumnarnkitkosol as members. Mr. Supol Wattanavekin is the Advisor of the Executive Committee.

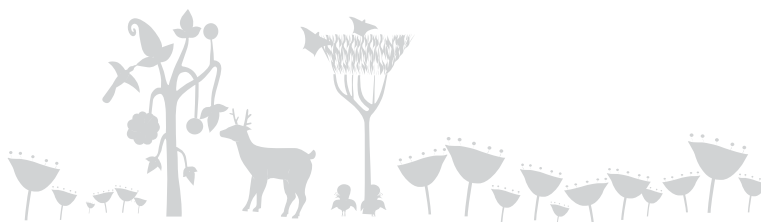
In 2015, the Executive Committee had thirteen meetings and performed its duties in accordance with the duties and authorities assigned by the Bank's Board of Directors, in summary:

1. Set the Group's direction and strategic goal and reviewed its vision, mission and corporate value prior to proposing to the Board of Directors for approval.
2. Considered the Group's business plan and annual budget for years 2015 and 2016 and revised the Group's business plan and budget at mid-year 2015 prior to proposing to the Board of Directors for approval, as well as monitored the business operation in accordance with the approved business plan.
3. Considered the improvement of the Group's Supervision Guidelines for year 2015 and proposed to the Board of Directors for approval.
4. Considered the improvement of policy and plan on capital management and proposed to the Board of Directors for approval.
5. Approved the Bank's IT Master Plan for years 2016 – 2018.
6. Reviewed, revised and approved the Bank's and the Group's policies, guidelines and working rules, for instance, Conflict of Interest Policy, Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Policy, Intra-group Service Pricing Policy, Delegation of Authority Policy for Commercial Lending and Counterparty Risk Limit Setting, Delegation of Authority Policy for Retail Lending – Product Program, Purchase or Maintenance of Immovable Properties as the Place of Business Operation Policy, Banking Agent Policy, Insourcing Policy, Mutual Fund Selling Agent Policy, Interest Rates and Fees Policy, Debt Collection Policy, Procedures for Financial Statement Disclosure, Principles for the Bank and its Subsidiaries' Transaction with Directors, Executives and their Related Persons, Principles for Selling Auto Hire Purchase and Personal Loan Debt, Guidelines for Reporting Interest of Directors, Executives and Related Persons, Guidelines for Connected Transaction and Strategic Shareholder Report, Guidelines for Securities Trading of Directors, Executives, Employees and Persons who can access undisclosed information, Know Your Client (KYC) and Customer Due Diligence (CDD) Procedures, Procedures for Reporting Transaction to AMLO, Private Repo Procedures, etc.
7. Approved the unreviewed and unaudited financial statements prior to the SET and public disclosure and approved debt write-off in accordance with the authority of the Executive Committee.
8. Considered the allocation of profit and dividend payment for year 2014 prior to proposing to the Board of Directors and shareholders for consideration and approval and considered the allocation of profit and interim dividend payment from the operation during January 1 - June 30, 2015 prior to proposing to the Board of Directors for approval.
9. Monitored the business operation of the Bank and the companies in the Group and acknowledged the Risk Appetite Report, NPL Report, Internal Capital Adequacy Assessment Process – ICAAP Report, Reserve Report for Possible Impaired Loan, Current Loan and Inactive NPL exceeding seven years and SME Loan Project Report.



10. Acknowledged the improvement of Commercial Lending's NPL for year 2014 and approved the NPL improvement plan for year 2015 prior to proposing to the Bank of Thailand for consideration.
11. Acknowledged the report on the set of lending policies and guidelines by the Risk Management Group.
12. Acknowledged the report on revision of lending agreements in accordance with the new Loan Guarantee and Mortgage Law.
13. Revised the Bank's organization structure in order to support the business operation in accordance with the corporate direction, business plan and strategy approved by the Board of Directors.
14. Considered and approved additional authorization and adjusted existing authorization for particular transactions.
15. Considered and approved the change of the directors in the committees under the Executive Committee's supervision and acknowledged their performance.
16. Approved the issuance and offering of debentures and relevant matters in accordance with the resolution of the 2013 Annual General Meeting of Shareholders on debentures and as assigned by the Bank's Board of Directors.
17. Considered the investment limit in companies outside the Group and credit limit for companies in the Group prior to proposing to the Board of Directors for consideration and to the Bank of Thailand for approval.
18. Reviewed, revised and approved the credit line for the Bank's counterparties in accordance with the authority of the Executive Committee.
19. Acknowledged the operation of the eight funds for resolving financial institution problems, whereof the Bank was their unit holder, and approved the preparation of fund closing and liquidation process.

Mr. Banyong Pongpanich
Chairman of the Executive Committee



Management Discussion and Analysis

Management Discussion and Analysis (MD&A) report for the year ended December 31, 2015, comparing operating performance and financial position with those of the year ended December 31, 2014, is as follows:

Overall Economy and Financial and Capital Market Environment

The Thai economy in 2015 underwent a fragile recovery. The domestic conditions during the fourth quarter of 2015 continued to show slow signs of recovery, with the manufacturing sector still impacted by the fall in global commodities prices together with the dim global economic conditions. All of this negatively impacted the export sector especially in oil-related, electronic and agricultural products. The increasing severity of the drought also affected the agricultural sector impacting Thailand's major agricultural products, such as rice, cassava and oil palm, further suppressing farm-related incomes and consumer spending as a whole. Nevertheless, the Thai economy received positive effects from the various government stimulus measures which aimed to boost the economy. The measures somewhat helped to increase consumer and business confidence with the hope of promoting further economic momentum. For the year 2015, the Bank's in-house research projected domestic economic growth to be at 2.8%.

The auto business segment also received positive impacts during the fourth quarter as shown in the increase in car sales, especially modified pickups and multi-purpose vehicles, in the last quarter of the year before the new excise tax increase measure came into effect. As a result, the number of cars and commercial vehicles sold in the fourth quarter rose 2.3% and 17.4% from last year respectively. Nevertheless, the sluggish economy during 2015 as a whole negatively impacted the auto business resulting in total accumulated car sales in 2015 of 799,594 units, a decline of 9.3% YoY. The Bank's in-house research projected total car sales in 2016 to be at 760,000-780,000 units, a slight decrease of 2.5% - 5.0% from 2015 owing to prospects of a gradual economic recovery from the prolonged drought, lower farm-related incomes and an increase in car excise tax which may potentially delay consumer car purchase decisions.

In the capital market, the average daily securities trading

value in the SET and mai decreased from Baht 45,466 million in 2014 to Baht 44,302 million in 2015. The SET index closed at 1,288.02 points, decreasing by 14% from 1,497.67 points at the end of 2014.

Overall Business Operations for the year 2015

• Commercial Banking Business

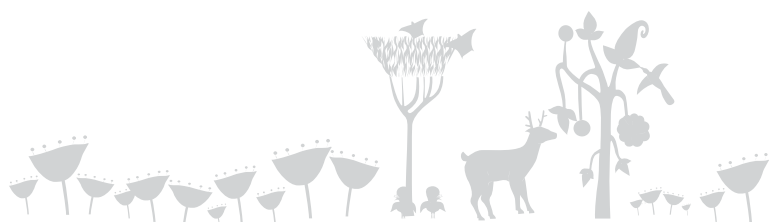
Following a gradual economic recovery in 2015, the overall loan expansion in the banking system was on a cautious basis. As a result, the Bank's loan portfolio contracted by 3.6% from the end of 2014. Auto hire purchase loans declined by 6.4% and commercial loans contracted by 3.8%. In the meantime, corporate banking loans increased by 51.8%.

The ratio of Non-performing Loans (NPLs) to total loans increased from 5.6% as of the end of 2014 to 5.8% at the end of the 2015. However, during the year NPLs have been declining steadily since 2Q15 where the ratio of NPLs to total loans stood at 6.9% and had declined to 5.8% as of the end of 2015.

During the year 2015, the Bank placed great emphasis on developing new products, services and channels to better serve our customers.

The Bank key developments during the year included branch distribution channel improvements to improve branch efficiencies while targeting the offering of comprehensive products including deposits, investments, lending products and services that best fit with the Bank's target clients' needs. During the year 2015, the Bank introduced several new service model branches with the latest new branches opened during 4Q15 at Muang Thai Phatra Complex, Central Festival Chiangmai, Sriracha, Central Festival Eastville, Chonburi, Central Plaza Pinklao and Major Ratchayothin. The Bank's efforts on channel improvement process included closure of branches and merger and opening of new branches, all of which resulted in the Bank having a total of sixty-five branches at the end of 2015.

For lending products and services, since the beginning of the year, the Bank has entered into a partnership agreement with Suzuki Motor (Thailand) Company Limited. Under the captive finance partnership, the Bank will provide financing to Suzuki clients. The Bank has added a KK Direct Debit service



for clients for repayment of various loans types offered by the Bank and has also added an on-line channel whereby applications for the Bank's CarQuickCash can now be made through www.silkspan.com as an added convenience for the Bank's clients. The Bank has also continued to enhance the KK Auto Application which allows clients convenient access to various auto hire purchase transactions and services through the use of smartphones. During the third quarter, the Bank successfully launched Lombard Loans, a multi-purpose credit facility for our high net worth clients using financial assets as collateral.

In terms of deposit and investment products, the Bank has joined with Thailand Post in offering deposit services for the Bank's clients through Thailand Post branches nationwide. The Bank also introduced KK Smart Investment Service which combined savings and investment services together. To promote the Bank deposit and investment services, the Bank launched advertising clips "The Dog" and "The Dream" which received satisfactory attention after the launch.

For borrowings, the Bank issued debentures totaling Baht 77,043 million during the year 2015, of which Baht 3,000 million are subordinated debentures classified as Tier 2 capital.

For Special Asset Management business, the Bank sold non-performing assets (NPAs) totaling Baht 1,597 million and had gain of Baht 844 million. Meanwhile, the Financial Markets business of the Bank generated revenue of Baht 190 million in 2015.

• Capital Market Business

The average daily securities trading value in the SET and mai was Baht 44,302 million in 2015, slightly decreased from Baht 45,446 million in 2014. The SET Index in 2015 moved downward, with net selling of Baht 156 billion by foreign investors. The market sentiment was negative, impacted by a slower-than-expected recovery in developed markets,

drastic declines in China's stock market, continual falling of oil prices, and the U.S. Federal Reserve's interest rate increase in December together with domestic factors including high household debt, low export volume, lower-than-expected performance of listed companies especially in the energy and petrochemical sectors, as well as a higher-than-expected license value of telecom spectrum which adversely affected the industry structure.

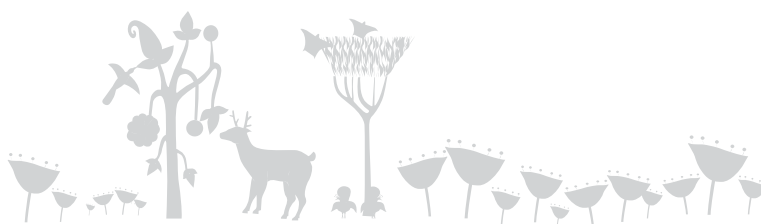
The market share in securities brokerage business (excluding proprietary trading) of PTSEC and KKTRADE was 4.69% and 0.81% respectively. If combined, the market share increased from 5.03% in 2014 to 5.50% in 2015, ranking fourth from a total of thirty-six brokers. The increase in market share was due to the higher market volume of both local and foreign institutional investors which were the segments of focus for PTSEC. Meanwhile, the investment business recorded revenue, when including loss from available-for-sale portfolio, totaling Baht 1,056 million.

The Change in Financial Reporting

Regarding the Thai Financial Reporting Standard 10 (TFRS10): Consolidated Financial Statements which is effective for the accounting periods beginning on or after January 1, 2015 onwards, the consolidated financial statements include the financial statements of CMIC Development Company Limited (CMIC) in which the Bank has received shares from conversion of debts to equity according to the debt restructuring agreement and in which the Bank has 80.58% ownership. In prior periods, the lack of the financial statements of CMIC is in accordance with "the Notification of Federation of Accounting Professions No. 27/2550: Exemption of "TAS 27: Consolidated and Separate Financial Statements" and "TAS 28: Investments in Associates" for financial institutions.

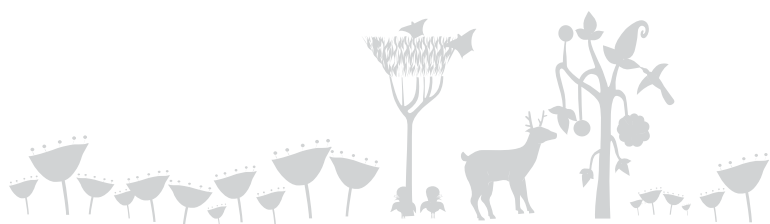
Summary of Performance of the Bank and Subsidiaries

Ratio (%)	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Loan Growth	(1.6)	(3.1)	(1.8)	(3.0)	0.6	0.6	(3.6)
NPLs/ Total Loans (Excluding Interbank)	5.6	5.6	6.5	6.9	6.6	5.8	5.8
Total Loan Loss Reserve/ Total NPLs (Coverage Ratio)	80.5	80.5	74.0	72.6	79.8	91.9	91.9
Total Loan Loss Reserve/ Total Mandatory Reserve	156.5	156.5	150.2	143.4	154.8	160.1	160.1



Statement of Comprehensive Income

For the Year Ended December 31, (Baht'000)	Consolidated		Change	
	2015	2014 (Restated)	Amount	%
Interest Income	14,776,371	15,929,333	(1,152,962)	(7.2)
Interest Expenses	5,327,821	7,015,905	(1,688,084)	(24.1)
Interest Income, Net	9,448,550	8,913,428	535,122	6.0
Fees and Services Income	3,933,960	3,863,201	70,759	1.8
Fees and Services Expenses	462,599	410,828	51,771	12.6
Fees and Services Income, Net	3,471,361	3,452,373	18,988	0.5
Gain on Trading and Foreign Exchange Transactions, Net	877,447	573,726	303,721	52.9
Gain (Loss) on Investments, Net	335,750	261,450	74,300	28.4
Dividend Income and Profit Sharing	321,246	278,332	42,914	15.4
Other Operating Incomes	602,610	432,828	169,782	39.2
Total Operating Income	15,056,964	13,912,137	1,144,827	8.2
Other Operating Expenses				
Employee's Expenses	4,287,291	3,821,452	465,839	12.2
Directors' Remuneration	23,245	22,770	475	2.1
Premises and Equipment expenses	974,765	1,040,502	(65,737)	(6.3)
Taxes and Duties	307,881	321,663	(13,782)	(4.3)
Loss from Revaluation of Foreclosed Assets (Reversal)	423,932	(249,115)	673,047	(270.2)
Loss from Sale of Foreclosed Assets	380,722	1,279,467	(898,745)	(70.2)
Other Expenses	1,424,030	1,313,222	110,808	8.4
Total Other Operating Expenses	7,821,866	7,549,961	271,905	3.6
Impairment Loss on Loans and Debt Securities	3,207,974	3,198,843	9,131	0.3
Profit from Operating before Income Tax Expenses	4,027,124	3,163,333	863,791	27.3
Income Tax Expenses	601,573	384,364	217,209	56.5
Net Profit	3,425,551	2,778,969	646,582	23.3
Net Profit Attributable to:				
Equity Holders of the Bank	3,317,102	2,733,681	583,421	21.3
Non-controlling Interests	108,449	45,288	63,161	139.5
Total Comprehensive Income Attributable to:				
Equity Holders of the Bank	3,118,956	2,877,666	241,290	8.4
Non-controlling Interests	109,351	49,227	60,124	122.1
Earnings per Share of Equity Holders of the Bank				
Basic Earnings per Share (Baht)	3.92	3.25	0.67	20.6
Diluted Earnings per Share (Baht)	3.92	3.24	0.68	21.0



Operating Results for 2015 comparing with 2014

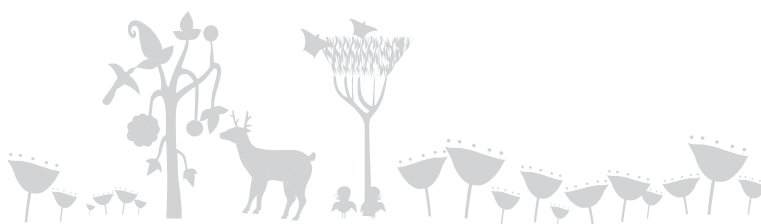
The consolidated net profit (excluding non-controlling interests) for 2015 totaled Baht 3,317 million, increasing by 21.3% YoY, of which Baht 1,010 million was the net profit from the capital market business operated by PHATRA and subsidiaries, namely PTSEC, KKTRADE, and PASSET. Meanwhile, the consolidated comprehensive income for the year totaled Baht 3,119 million, increasing by 8.4% YoY. The capital market business's comprehensive income was Baht 865 million. The comprehensive income included revaluation of available-for-sale securities as a result of the capital market volatility.

Interest Income was Baht 14,776 million, declining by Baht 1,153 million or 7.2% YoY mainly from lower auto hire purchase and financial lease income by 8.6% as a result of the contraction in auto hire purchase loans from Baht 124,252 million in 2014 to Baht 116,246 million in 2015. Interest income on interbank and money market also declined by 48.7% based on market conditions and the Bank's liquidity management.

For the Year Ended	Consolidated		Change	
	Dec. 31, 2015	Dec. 31, 2014	Baht Million	%
Interest Income	14,776	15,929	(1,153)	(7.2)
Interest on Loans	4,619	4,700	(81)	(1.7)
Interest on Interbank and Money Market Items	135	263	(128)	(48.7)
Auto Hire Purchase and Financial Lease Income	8,910	9,744	(834)	(8.6)
Interest on Securities	579	617	(38)	(6.2)
Interest on Investment in Loans	534	606	(72)	(11.8)

Interest Expenses totaled Baht 5,328 million, decreasing by Baht 1,688 million or 24.1% YoY. Cost of funds decreased to 3.0% from 3.7% as at the end of 2014. The decline was a result of several factors: the reduction in policy rate from 2.0% to 1.75% and ending at 1.5% at the end of 2015, the reduction in deposit rates in line with the market, the Bank's continuous efforts on optimizing its funding structure and also the overall decline in deposit volume as a result of loan contraction during the year.

For the Year Ended	Consolidated		Change	
	Dec. 31, 2015	Dec. 31, 2014	Baht Million	%
Interest expense	5,328	7,016	(1,688)	(24.1)
Interest on Deposits	3,062	4,515	(1,453)	(32.2)
Interest on Interbank and Money Market Items	94	96	(2)	(2.1)
Interest on Debt Issued and Borrowings	1,328	1,461	(132)	(9.1)
Fees and Charges on Borrowings	3	3	0	0.6
FIDF and DPA Fees	779	881	(102)	(11.6)
Others	62	61	1	1.6



Net Interest Income amounted to Baht 9,449 million, up from Baht 8,913 million or 6.0% YoY despite loan contraction following improving loan spread to 4.5% in 2015 from 3.9% in 2014. Yield on loan decreased slightly to 7.5% in 2015 from 7.6% due in part to the Bank expansion in corporate loans and Lombard loans which have lower loan yields.

%	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Yield on Loan	7.6	7.6	7.3	7.3	7.7	7.8	7.5
Cost of Fund	3.4	3.7	3.3	3.1	2.9	2.7	3.0
Loan Spread	4.2	3.9	4.0	4.2	4.9	5.1	4.5

Net Fee and Service Income totaled Baht 3,471 million, increasing slightly by 0.5% from 2014. For the Capital Market Business, fees from the asset management business increased to Baht 255 million in 2015 from Baht 134 million in 2014. Financial advisory and underwriting fees also increased to Baht 239 million, up 34.1% from the same period of last year. Meanwhile, brokerage income totaled Baht 1,639 million, declining by 9.0% as a result of the decline in securities trading value in the market. Bancassurance fee amounted to Baht 891 million, increasing from Baht 866 million in 2014.

Total Operating Income amounted to Baht 15,057 million, increasing by 8.2% YoY mainly from the increase in net interest income of 6.0% as per details above. The Bank also recorded gain on investments totaling Baht 336 million compared to a gain of Baht 261 million in 2014. Gain on trading and foreign exchange transactions mainly contributed from the Capital Market Business totaled Baht 877 million, increasing from Baht 574 million in 2014.

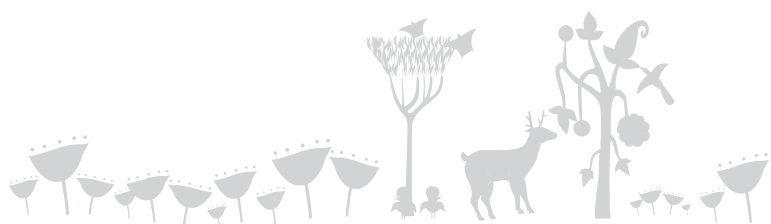
Other Operating Expenses were Baht 7,822 million, increasing by 3.6% YoY. Loss from sale of foreclosed assets of Baht 381 million in total significantly improved from loss of Baht 1,279 million in 2014 because loss from sale of repossessed cars in 2015 of Baht 1,225 million reduced from Baht 2,047 million in 2014. This was mainly from lower loss per asset cost while gain on sale of foreclosed assets totaled Baht 844 million.

When excluding loss from sales of foreclosed assets and loss from revaluation of foreclosed assets, the operating expenses totaled Baht 7,017 million, increasing by 7.6% YoY comparing to Baht 6,520 million in 2014 with increases mainly from personnel expenses. Cost-to-income ratio, excluding loss from sale of foreclosed assets and loss from revaluations, lowered to 47.8% in 2015 from 51.6% in 2014 from the increase in operating income.

Bad Debts and Doubtful Accounts and Loss on Debt Restructuring totaled Baht 3,208 million, increasing from Baht 3,199 million YoY. In 3Q15, the Bank set up a general reserve of Baht 600 million and in 4Q15, the Bank additionally set up a general reserve of Baht 400 million to provide buffers against economic uncertainties.

As of the end of 2015, allowance for doubtful accounts and allowance for troubled debt restructuring amounted to Baht 9,546 million with outstanding Baht 2,850 million in general reserves. The total loan loss reserve to total mandatory reserve ratio increased to 160.1% compared to 156.5% as of the end of 2014. Meanwhile, the total loan loss reserve to total NPLs ratio (coverage ratio) also increased to 91.9% from 80.5% as of the end of 2014.

Corporate income tax totaled Baht 602 million. Basic earnings per share and diluted earnings per share were Baht 3.92 per share.

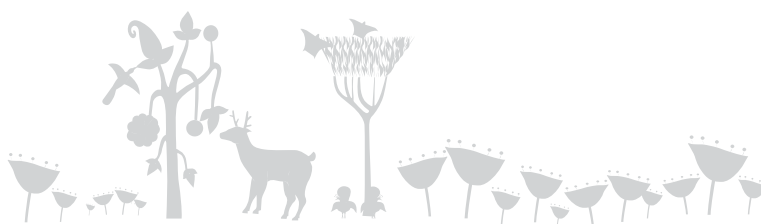


Annualized Ratio	4Q14 (Restated)	2014 (Restated)	1Q15	2Q15	3Q15	4Q15	2015
Net Profit (Baht Million)	514	2,734	664	749	923	980	3,317
ROAE (%)	5.6	7.6	7.2	8.1	10.0	10.5	8.9
ROE (%)	5.6	7.7	7.2	8.0	10.0	10.6	9.0
ROAA (%)	0.8	1.1	1.1	1.2	1.5	1.7	1.4
Comprehensive Income (Baht Million)	149	2,878	697	664	734	1,024	3,119
ROAE (%)	1.6	8.0	7.5	7.1	8.0	10.9	8.4
ROE (%)	1.6	8.1	7.6	7.1	7.9	11.1	8.5
ROAA (%)	0.2	1.2	1.2	1.1	1.2	1.7	1.3

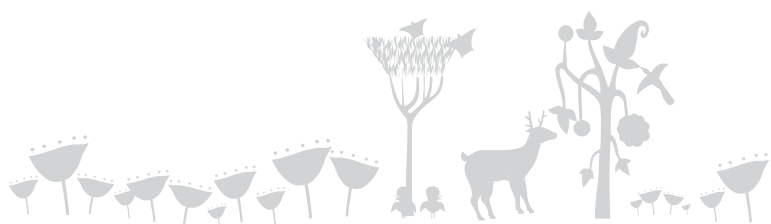
Statements of Financial Position

In accordance with the Notification of the Capital Market Supervisory Board No. ThorNor. 21/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property Funds for Solving Financial Institution Problems, Notification of the Capital Market Supervisory Board No. ThorNor. 22/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institution Problems, Notification of the Capital Market Supervisory Board No. ThorNor. 23/2552 Re: Rules, Conditions and Procedures for Establishment and Management of Property and Loan Funds which stipulate that the maturity date of the scheme shall be no later than August 31, 2015, the mutual funds Asia Recovery Property Fund 1, Asia Recovery Property Fund 3, Asia Recovery Fund 1, Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund (in which the Bank holds unit trusts) have to comply in accordance with the said notification and are currently in the liquidation process.

Total Assets as of December 31, 2015 totaled Baht 236,144 million, decreasing by Baht 5,008 million or 2.1% YoY. The total loans net deferred revenue amounted to Baht 177,966 million, down from Baht 184,637 million or 3.6% YoY, which was mainly from the contractions in auto hire purchase loans. The net investment in securities declined by 30.7% from government and state enterprises securities. Net interbank and money market increased by 39.9% from liquidity management while net foreclosed assets totaled Baht 4,598 million.



ASSETS (Baht'000)	Consolidated		Change	
	Dec 31, 2015	Dec 31, 2014 (Restated)	Amount	%
Cash	1,032,052	1,301,090	(269,038)	(20.7)
Interbank and Money Market Items, Net	9,801,161	7,007,184	2,793,977	39.9
Derivatives Assets	1,756,965	1,112,589	644,376	57.9
Investments in Securities, Net	20,290,440	29,288,651	(8,998,211)	(30.7)
Investments in Receivables, Net	2,898,694	3,302,756	(404,062)	(12.2)
Investments in Properties, Net	843,476	423,468	420,008	99.2
Loans to Clients and Accrued Interest Receivables, Net				
Loans to Clients	196,329,407	203,930,591	(7,601,184)	(3.7)
Securities Business Receivables	284,815	519,094	(234,279)	(45.1)
Accrued Interest Receivables	936,587	1,140,564	(203,977)	(17.9)
Total Loans to Clients and Accrued Interest Receivables	197,550,809	205,590,249	(8,039,440)	(3.9)
Less Deferred Revenue	(18,648,635)	(19,812,267)	1,163,632	(5.9)
Less Allowance for Doubtful Accounts	(9,539,335)	(8,311,167)	(1,228,168)	14.8
Less Allowance for Troubled Debt Restructuring	(6,413)	(9,963)	3,550	(35.6)
Total Loans to Clients and Accrued Interest Receivables, Net	169,356,426	177,456,852	(8,100,426)	(4.6)
Properties Foreclosed, Net	4,598,378	3,667,347	931,031	25.4
Land, Premises and Equipment, Net	1,892,262	1,445,312	446,950	30.9
Other Intangible Assets, Net	684,964	541,135	143,829	26.6
Goodwill	3,066,035	3,066,035	0	0.0
Deferred Tax Assets	1,444,770	945,037	499,733	52.9
Accounts Receivable from Clearing House	1,030,855	2,568,087	(1,537,232)	(59.9)
Securities and Derivative Business Receivables	14,463,306	7,323,457	7,139,849	97.5
Other Assets, Net	2,984,456	1,703,727	1,280,729	75.2
Total Assets	236,144,240	241,152,727	(5,008,487)	(2.1)

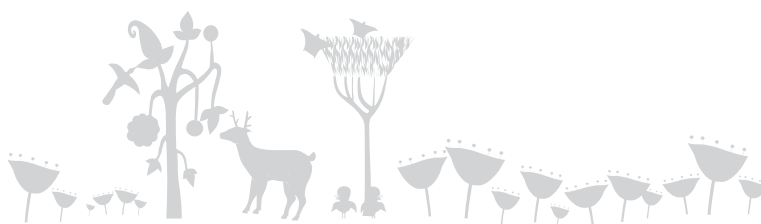


Total Liabilities amounted to Baht 197,988 million, decreasing 3.1% YoY. Deposits were Baht 104,327 million, decreasing by 21.1%. Deposits comprised of 49.3% of term deposits and 50.7% of current and saving accounts (CASA), compared with 47.7 % at the end of 2014.

Meanwhile, debts and borrowings were Baht 61,085 million, increasing by 42.8% YoY with total debentures amounting to Baht 60,828 million. In 2015, the Bank issued debentures totaling Baht 77,043 million. Of total debentures issued, Baht 71,543 million were short-term debentures and Baht 5,500 million were long-term debentures of which Baht 3,000 million were subordinated debentures classified as Tier 2 capital.

Loan to deposits and borrowings ratio stood at 107.6% compared to 105.5% at the end of 2014.

LIABILITIES (Baht'000)	Consolidated		Change	
	Dec 31, 2015	Dec 31, 2014 (Restated)	Amount	%
Deposits	104,326,899	132,297,166	(27,970,267)	(21.1)
Current Account	349,549	242,971	106,578	43.9
Saving Account	52,524,864	62,850,117	(10,325,253)	(16.4)
Term Deposit	50,802,178	68,516,850	(17,714,673)	(25.9)
Certificate of Deposit	650,308	687,228	(36,920)	(5.4)
Interbank and Money Market Items, Net	9,209,441	9,795,069	(585,628)	(6.0)
Liabilities Payable on Demand	388,583	315,538	73,045	23.1
Derivatives Liabilities	2,583,953	1,456,721	1,127,232	77.4
Debt Issued and Borrowings	61,084,916	42,771,534	18,313,382	42.8
Debentures	60,827,838	42,514,456	18,313,381	43.1
Bills of Exchange	257,078	257,078	0	0.0
Provisions	441,873	402,144	39,729	9.9
Deferred Tax Liabilities	108,789	81,628	27,161	33.3
Accounts Payable to Clearing House	1,097,742	1,070,437	27,305	2.6
Securities and Derivative Business Payables	9,816,958	7,175,549	2,641,409	36.8
Accrued Interest Expenses	721,953	859,397	(137,444)	(16.0)
Other Accounts Payable	1,861,756	1,810,718	51,038	2.8
Legal Execution Department Payable	575,380	575,380	0	0.0
Income Tax Payable and Specific Business Tax Payable	695,815	271,810	424,005	156.0
Other Liabilities	5,074,226	5,358,511	(284,285)	(5.3)
Total Liabilities	197,988,284	204,241,602	(6,253,318)	(3.1)



Shareholders' Equity was Baht 38,156 million, up 3.4% from the end of 2014. Total issued and paid-up capital totaled Baht 8,468 million, increasing by 0.5% YoY, which was mainly from the exercise of ESOP-W2 during the year. Share premium totaled Baht 9,356 million. Unappropriated retained earnings were Baht 18,346 million.

Dividend payment The Bank paid the remaining dividend for the year 2014 operation at the rate of Baht 1.35 per share on May 22, 2015 and paid the interim dividend for the operation during January 1-June 30, 2015 at the rate of Baht 1.00 per share on September 25, 2015.

Capital Adequacy Ratio (BIS Ratio) As of December 31, 2015, the Capital Adequacy Ratio (BIS Ratio) under Basel III which included profit for the first half of 2015 was 16.54% while Tier 1 ratio was at 14.57%. When including profit for the year 2015, the BIS ratio will increase to 17.95% while Tier 1 ratio will be at 15.98%.

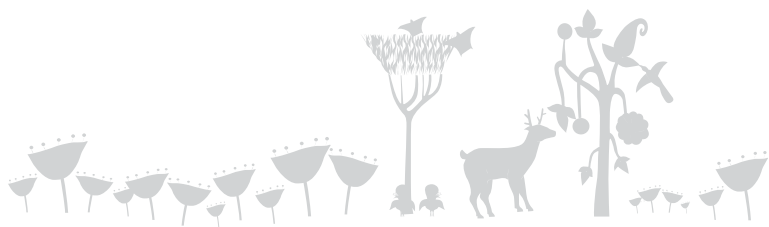
Business Segment Performance

The Organization structure divides business into two groups which are 1) Commercial Banking Business and 2) Capital Market Business.

Commercial Banking Business

The Commercial Banking Business includes retail lending, commercial lending, corporate lending, and Special Asset Management (SAM) or distressed asset management loans. The breakdown of total loan portfolio is as follows:

Type of Loans	Dec. 31, 2015		Dec. 31, 2014		Change (%)
	(Baht Million)	%	(Baht Million)	%	
Retail Lending	120,696	67.8	129,520	70.1	(6.8)
Hire Purchase	116,246	65.3	124,252	67.3	(6.4)
Personal Loan	2,068	1.2	3,232	1.8	(36.0)
Micro-SMEs Loan	1,434	0.8	1,666	0.9	(13.9)
Housing Loan	948	0.5	370	0.2	156.0
Commercial Lending	46,263	26.0	48,103	26.1	(3.8)
Real Estate Development	24,719	13.9	27,216	14.7	(9.2)
SMEs Loan	21,544	12.1	20,887	11.3	3.1
Corporate Lending	8,774	4.9	5,780	3.1	51.8
Special Asset Management Loan	694	0.4	715	0.4	(3.0)
Lombard Loan	1,255	0.7	0	0.0	N/A
Other Loans	285	0.2	519	0.3	(45.1)
Total Loans and Account Receivables	177,966	100.0	184,637	100.0	(3.6)



- **Retail Lending**

The retail lending totaled Baht 120,696 million, decreasing by 6.8% from the end of 2014. The retail loans include auto hire purchase loans, personal loans, Micro-SMEs loans, and housing loans.

- Auto Hire Purchase Loans amounted to Baht 116,246 million, declining by 6.4% YoY. New auto hire purchase loans booked in 2015 totaled Baht 37,539 million, increasing by 0.2% YoY. The portion of new cars to used cars was at 54:46.

The domestic new car sales in 2015 totaled 799,594 units, declining by 9.3% YoY. The penetration rate of the Bank's new car lending to domestic car sales for the year 2015 was at 4.2%, increasing from 3.9% at the end of 2014.

- **Commercial Lending**

The commercial lending totaled Baht 46,263 million, contracting by 3.8% YoY. The commercial lending business includes real estate development loans and SMEs loans of which details are as follows:

- Real Estate Development Loans were Baht 24,719 million, contracting by 9.2% YoY. NPLs increased from 15.6% at the end of 2014 to 19.7% but NPLs have been declining continuously from 21.3% at the end of 2Q15 and were down to 19.7% as of the end of 2015.
- SMEs Loans were Baht 21,544 million, increasing by 3.1% YoY. The SME loans are comprised of several business sectors including Apartment & Hotel, Floor Plan, Logistics, Specialized Industrial, and Construction Machinery & Materials. The NPL ratio increased from 5.1% as at the end of 2014 to 6.5% at the end of 2015.

The increase in NPLs was mainly from the Floor Plan business.

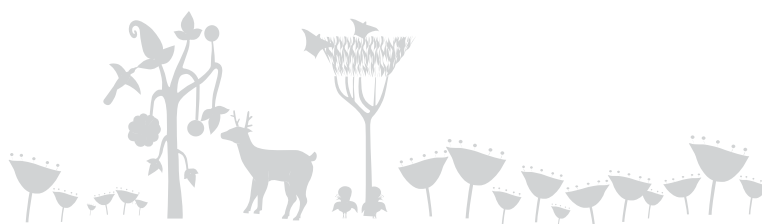
- **Corporate Lending**

The corporate lending provides lending services to listed companies and large corporate clients or financing for investment banking transactions of the Capital Market Business. Current outstanding loans totaled Baht 8,774 million, increasing by 51.8% YoY.

- **Special Asset Management (SAM)**

SAM is responsible for distressed asset management business and sale of foreclosed assets. Current outstanding financial claim loans total Baht 694 million.

In addition, during 2015 the Bank launched a new lending product called Lombard Loans which are a multi-purpose credit facility for high net worth clients using financial assets as collateral. Current outstanding loans totaled Baht 1,255 million as of the end of 2015.

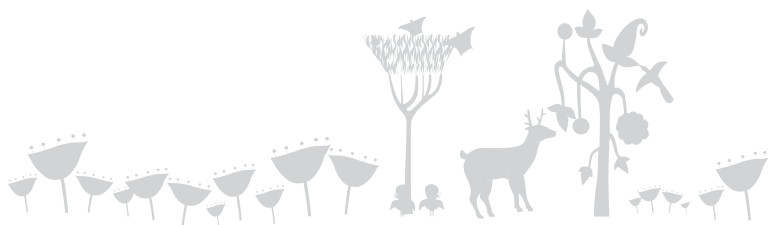


The table below shows NPL distribution by loan type.

Type of Loan	Dec. 31, 2015			Dec. 31, 2014		
	Baht Million	%	% of Loans	Baht Million	%	% of Loans
Retail Lending	3,438	33.0	2.8	4,335	41.9	3.3
Hire Purchase	2,847	27.4	2.4	3,614	34.9	2.9
Personal Loan	131	1.3	6.3	290	2.8	9.0
Micro-SMEs Loan	372	3.6	26.0	271	2.6	16.3
Housing Loan	88	0.8	9.3	159	1.5	42.9
Commercial Lending	6,269	60.2	13.5	5,295	51.2	11.0
Real Estate Development	4,862	46.7	19.7	4,236	40.9	15.6
SMEs Loan	1,406	13.5	6.5	1,059	10.2	5.1
Corporate Lending	0	0.0	0.0	0	0.0	0.0
Special Asset Management Loan	694	6.7	100.0	715	6.9	100.0
Lombard Loan	0	0.0	0.0	0	0.0	0.0
Other Loans	7	0.1	2.5	7	0.1	1.4
Total	10,408	100.0	5.8	10,352	100.0	5.6

The consolidated NPLs amounted to Baht 10,408 million or 5.8% of the total loans, increasing from Baht 10,352 million or 5.6% of total loans as of the end of 2014 mainly from qualitative NPLs classification of real estate clients which the Bank has been monitoring closely. NPLs from real estate loans increased from 15.6% at the end of 2014 to 21.3% in 2Q15 before declining to 19.7% as of the end of 2015.

The NPLs of auto hire purchase loans decreased by Baht 768 million from the end of 2014, with the NPL ratio also declining to 2.4% from 2.9% at the end of 2014 due to strict internal measures and continuous internal process improvements.



Capital Market Business

The Capital Market Business is comprised of brokerage business, investment banking business, investment business, and asset management business. Details are as follows:

- Equity and Derivatives Brokerage Business

PTSEC operates agency business providing both securities and derivatives brokerage services to local and foreign institutional investors, as well as high net worth individuals under Private Wealth Management. For high net worth clients, other wealth management products are also provided such as mutual funds. For 2015, the market share¹ of PTSEC was 4.69%, ranking fifth from thirty-six brokers in total. PTSEC generated brokerage revenues totaling Baht 1,361 million, comprising of securities brokerage revenue of Baht 1,066 million, derivatives brokerage revenue of Baht 87 million, and other brokerage income of Baht 208 million.

KKTRADE provides brokerage services to mainly retail investors with the market share¹ of 0.81% in 2015, ranking 32nd. KKTRADE generated brokerage fees totaling Baht 348 million, including securities brokerage fee of Baht 315 million, and derivatives brokerage fee of Baht 33 million.

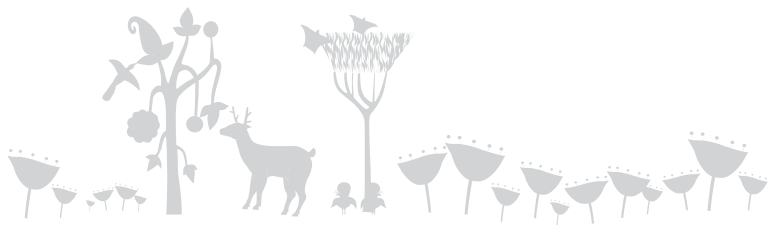
- Investment Banking Business

The investment banking business, operated by PTSEC, provides financial advisory service as well as underwriting service. In 2015, PTSEC had investment banking revenue of Baht 242 million, contributing financial advisory fees amounting to Baht 190 million and underwriting fee amounting to Baht 52 million.

- Investment Business

The investment business is managed by three departments, in which PHATRA operates direct investment business, by Direct Investment Department ("DI"), with a medium to long-term investment horizon, while PTSEC manages short-term investment, by Investment and Trading Group, comprising of Equity and Derivatives Trading Department ("EDT") and Hedge Fund Department ("HF"). EDT focuses on equity and equity-linked securities in the capital market and derivatives market, with short-term investment of not more than one year by applying arbitrage investment strategy as well as issuing and offering financial structured products, i.e. derivative warrants and structured notes. HF focuses on equity and derivatives trading with less than a one-year investment horizon, applying a market-neutral strategy and advanced statistical modeling.

¹ Including SET and mai but excluding proprietary trading



In 2015, DI focused on long-term investment with a value-based investment philosophy recorded loss on investment including loss on revaluation on available-for-sale securities totaling Baht 88 million as a result of a declining market as mentioned earlier. HF posted gains of Baht 315 million². Meanwhile, EDT had gain on investment totaling Baht 679 million³. Additionally, there were other investment incomes from treasury and liquidity management, resulting in overall investment income of Baht 1,056 million.

- Asset Management Business

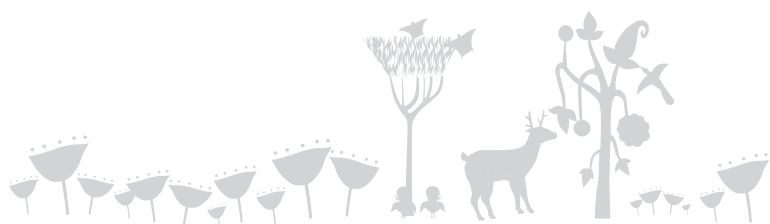
PASSET, under mutual fund and private fund management licenses, offers fund management services to individuals and corporate clients. In 2015, PASSET launched three new funds to offer more investment

alternatives, which are Phatra Absolute Return Fund, Phatra Active Fixed Income Fund, and Phatra Global New Perspective fund. PASSET's mutual fund AUM as of December 31, 2015 was Baht 35,296 million with twenty-six funds under management consisting of twenty-three mutual funds and three property funds. PASSET's market share in terms of mutual funds was 0.87%. In 2015, PASSET's fee income from mutual fund business totaled Baht 149 million.

As of December 31, 2015, assets under management for private funds totaled Baht 9,964 million. The strong growth of the private fund business was contributed partly by the launch of a new investment strategy, under the name of Absolute Return Fund, which was well-received by Private Wealth Management clients. PASSET's fee income from private fund business totaled Baht 109 million.

² In addition to the investment revenue, HF also had foreign exchange gain and advisory fee revenue totaling revenue Baht 46 million and hedging cost of Baht 37 million. In summary, total HF revenue after cost of hedging was Baht 324 million.

³ Income before deducting the cost of hedging, once deducting those costs, net gain was Baht 585 million.



Credit Rating

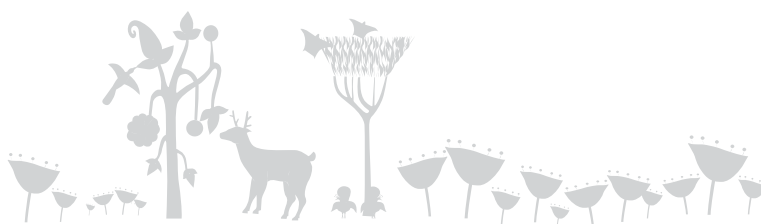
As of November 26, 2015, TRIS Rating Company Limited has affirmed the latest company rating at “A-” and the senior unsecured debentures at “A-” and the hybrid Tier 2 capital securities at “BBB” with “Stable” outlook. Details are as follows:

	March 24, 2014 *	October 28, 2014 **	March 31, 2015 *	November 26, 2015 **
Company Rating	A-	A-	A-	A-
Issue Ratings				
KK154A: Baht 1,700 million senior unsecured debentures due 2015	A-	A-	A-	-
KK157A: Baht 754 million senior unsecured debentures due 2015	A-	A-	A-	-
KK164A: Baht 600 million senior unsecured debentures due 2016	A-	A-	A-	A-
KK165A: Baht 3,500 million senior unsecured debentures due 2016	A-	A-	A-	A-
KK168A: Baht 1,500 million senior unsecured debentures due 2016	A-	A-	A-	A-
KK168B: Baht 1,000 million senior unsecured debentures due 2016	-	A-	A-	A-
KK16DA: Baht 975 million senior unsecured debentures due 2016	A-	A-	A-	A-
KK172A: Baht 4,000 million senior unsecured debentures due 2017	A-	A-	A-	A-
KK174B: Baht 900 million senior unsecured debentures due 2017	A-	A-	A-	A-
KK17NA: Baht 1,500 million senior unsecured debentures due 2017	-	-	-	A-
KK187A: Baht 240 million senior unsecured debentures due 2018	A-	A-	A-	A-
KK18DA: Baht 625 million senior unsecured debentures due 2018	A-	A-	A-	A-
KK18DB: Baht 10 million senior unsecured debentures due 2018	A-	A-	A-	A-
KK25DA: Baht 3,000 million hybrid Tier 2 capital securities due 2025	-	-	-	BBB
Outlook	Positive	Positive	Stable	Stable

Remarks: *CreditNews (Annual credit review)

**CreditUpdate (Credit review for debentures issuance all year round)

Source: TRIS Rating Company Limited



Auditor's Report

To the Shareholders and the Board of Directors of Kiatnakin Bank Public Company Limited

I have audited the accompanying consolidated and bank financial statements of Kiatnakin Bank Public Company Limited and its subsidiaries, and of Kiatnakin Bank Public Company Limited, which comprise the consolidated and bank statements of financial position as at 31 December 2015, and the related consolidated and bank statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and bank financial statements referred to above present fairly, in all material respects, the consolidated and bank financial position of Kiatnakin Bank Public Company Limited and its subsidiaries, and of Kiatnakin Bank Public Company Limited as at 31 December 2015, and consolidated and bank results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

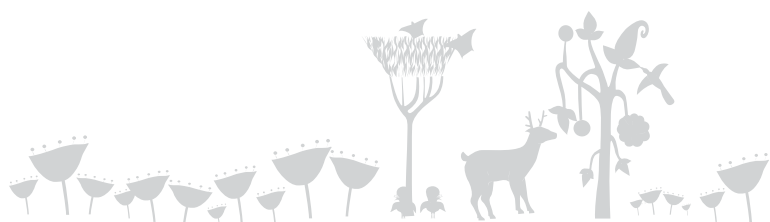
Unakorn Phruithithada

Certified Public Accountant (Thailand) No.3257

PricewaterhouseCoopers ABAS Ltd.

Bangkok

25 February 2016



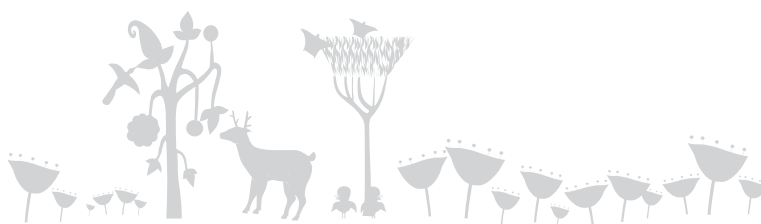
Kiatnakin Bank Public Company Limited and Subsidiaries

Statement of Financial Position

As at 31 December 2015

	Notes	Consolidated			The Bank's	
		31 December 2015 Thousand Baht	Restated 31 December 2014 Thousand Baht	Restated 1 January 2014 Thousand Baht	31 December 2015 Thousand Baht	31 December 2014 Thousand Baht
Assets						
Cash		1,032,052	1,301,090	1,230,789	1,030,634	1,299,783
Interbank and money market items, net	7	9,801,161	7,007,184	9,742,079	8,664,226	3,731,500
Derivatives assets	8	1,756,965	1,112,589	373,561	1,703,010	1,000,976
Investments in securities, net	9	20,290,440	29,288,651	26,970,711	15,013,831	22,079,967
Investments in subsidiaries, net	10	-	-	-	11,752,771	13,186,599
Investments in receivables, net	11	2,898,694	3,302,756	3,884,705	901,876	968,743
Investments in properties, net	12	843,476	423,468	449,171	-	-
Loans to customers and accrued interest receivables, net	13					
Loans to customers		196,329,407	203,930,591	213,146,498	198,804,157	205,420,591
Securities business receivables		284,815	519,094	614,483	-	-
Accrued interest receivables		936,587	1,140,564	1,250,012	940,355	1,138,498
Total loans to customers and accrued interest receivables		197,550,809	205,590,249	215,010,993	199,744,512	206,559,089
Less Deferred revenue		(18,648,635)	(19,812,267)	(23,215,481)	(18,648,635)	(19,812,267)
Less Allowance for doubtful accounts	15	(9,539,335)	(8,311,167)	(7,134,968)	(9,547,235)	(8,420,573)
Less Allowance for troubled debt restructuring	17	(6,413)	(9,963)	(23,415)	(6,413)	(9,963)
Total loans to customers and accrued interest receivables, net		169,356,426	177,456,852	184,637,129	171,542,229	178,316,286
Properties foreclosed, net	18	4,598,378	3,667,347	4,102,669	6,106,487	3,520,156
Land, premises and equipment, net	19	1,892,262	1,445,312	1,654,894	541,722	554,543
Other intangible assets, net	20.1	684,964	541,135	484,852	617,335	485,917
Goodwill	20.2	3,066,035	3,066,035	3,066,035	-	-
Deferred tax assets	21	1,444,770	945,037	733,396	1,389,447	929,419
Accounts receivable from clearing house		1,030,855	2,568,087	460,995	-	-
Securities and derivative business receivables		14,463,306	7,323,457	10,207,069	-	-
Other assets, net	22	2,984,456	1,703,727	1,755,617	2,208,099	1,286,775
Total assets		236,144,240	241,152,727	249,753,672	221,471,667	227,360,664

The accompanying notes are an integral part of these consolidated and bank financial statements.



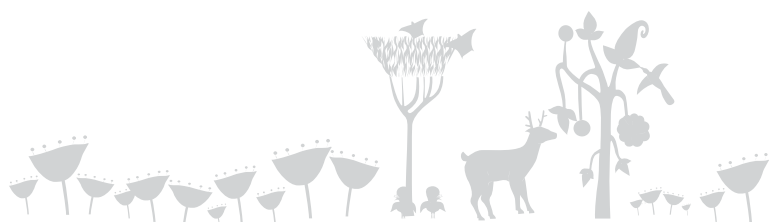
Kiatnakin Bank Public Company Limited and Subsidiaries

Statement of Financial Position (Cont'd)

As at 31 December 2015

	Notes	Consolidated			The Bank's	
		31 December 2015 Thousand Baht	Restated 31 December 2014 Thousand Baht	Restated 1 January 2014 Thousand Baht	31 December 2015 Thousand Baht	31 December 2014 Thousand Baht
Liabilities and equity						
Liabilities						
Deposits	23	104,326,899	132,297,166	145,981,732	104,780,870	132,422,439
Interbank and money market items, net	24	9,209,441	9,795,069	6,656,021	9,118,022	10,110,915
Liabilities payable on demand		388,583	315,538	414,296	390,693	315,538
Derivatives liabilities	8	2,583,953	1,456,721	634,115	2,336,469	1,102,366
Debt issued and borrowings	25	61,084,916	42,771,534	42,569,029	59,425,078	40,362,078
Provisions	26	441,873	402,144	377,036	284,893	269,653
Deferred tax liabilities	21	108,789	81,628	126,893	-	-
Accounts payable to clearing house		1,097,742	1,070,437	1,050,733	-	-
Securities and derivative business payables		9,816,958	7,175,549	8,886,919	-	-
Accrued interest expenses		721,953	859,397	1,059,165	724,728	865,145
Other accounts payable	27	1,861,756	1,810,718	1,910,219	1,756,630	1,669,291
Legal Execution Department payable	28	575,380	575,380	575,380	575,380	575,380
Income tax payable and specific business tax payable		695,815	271,810	534,221	633,692	184,312
Other liabilities	29	5,074,226	5,358,511	3,230,085	4,477,734	4,750,624
Total liabilities		197,988,284	204,241,602	214,005,844	184,504,189	192,627,741
Equity						
Share capital	30					
Authorised share capital						
852,337,268 ordinary shares of Baht 10 each (31 December 2014: 852,337,268 shares of Baht 10 each)		8,523,373	8,523,373	8,523,373	8,523,373	8,523,373
Issued and paid-up share capital						
846,751,109 ordinary shares of Baht 10 each (31 December 2014: 842,833,559 shares of Baht 10 each)		8,467,511	8,428,336	8,388,331	8,467,511	8,428,336
Premium on share capital		9,356,233	9,280,742	9,203,653	9,356,233	9,280,742
Other components of equity	35	906,182	1,090,612	954,733	302,592	259,400
Retained earnings						
Appropriated						
Legal reserve	32	852,337	852,337	852,337	852,337	852,337
Others		380	380	380	380	380
Unappropriated		18,345,916	17,029,324	16,093,583	17,988,425	15,911,728
Total equity of the Bank		37,928,559	36,681,731	35,493,017	36,967,478	34,732,923
Non-controlling interests		227,397	229,394	254,811	-	-
Total equity		38,155,956	36,911,125	35,747,828	36,967,478	34,732,923
Total liabilities and equity		236,144,240	241,152,727	249,753,672	221,471,667	227,360,664

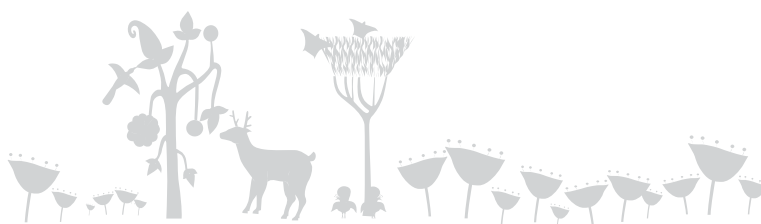
The accompanying notes are an integral part of these consolidated and bank financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	Notes	Consolidated		The Bank's	
		2015 Thousand Baht	Restated 2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interest income	45	14,776,371	15,929,333	14,260,842	15,457,921
Interest expenses	46	5,327,821	7,015,905	5,254,679	6,929,884
Interest income, net		9,448,550	8,913,428	9,006,163	8,528,037
Fees and services income	47	3,933,960	3,863,201	1,807,624	1,763,405
Fees and services expenses	47	462,599	410,828	132,258	143,591
Fees and services income, net		3,471,361	3,452,373	1,675,366	1,619,814
Gain on trading and foreign exchange transactions, net	48	877,447	573,726	40,610	39,575
Gain (loss) on investments, net	49	335,750	261,450	68,458	(493,664)
Dividend income and profit sharing		321,246	278,332	2,961,719	2,591,191
Other operating income	50	602,610	432,828	400,564	272,944
Total operating income		15,056,964	13,912,137	14,152,880	12,557,897
Other operating expenses					
Employee's expenses		4,287,291	3,821,452	2,952,227	2,519,560
Directors' remuneration		23,245	22,770	19,840	21,140
Premises and equipment expenses		974,765	1,040,502	765,388	843,247
Taxes and duties		307,881	321,663	283,625	301,454
Loss from revaluation of foreclosed assets (Reversal)		423,932	(249,115)	439,754	(255,939)
Loss from sale of foreclosed assets		380,722	1,279,467	858,209	1,599,700
Other expenses	51	1,424,030	1,313,222	1,303,931	1,215,115
Total other operating expenses		7,821,866	7,549,961	6,622,974	6,244,277
Impairment loss on loans and debt securities	52	3,207,974	3,198,843	3,127,218	3,190,884
Profit from operating before income tax expenses		4,027,124	3,163,333	4,402,688	3,122,736
Income tax expenses	53	601,573	384,364	333,265	117,092
Net profit		3,425,551	2,778,969	4,069,423	3,005,644

The accompanying notes are an integral part of these consolidated and bank financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the year ended 31 December 2015

		Consolidated		The Bank's	
	Notes	2015 Thousand Baht	Restated 2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Other comprehensive income (expenses)					
Items that will be reclassified subsequently to profit or loss					
		(84,279)	(4,407)	3,228	(22,955)
		(123,348)	173,867	50,762	116,691
	54	24,290	(29,519)	(10,798)	(18,747)
Total items that will be reclassified subsequently to profit or loss					
		(183,337)	139,941	43,192	74,989
Items that will not be reclassified subsequently to profit or loss					
		(16,596)	9,714	(7,653)	-
	54	2,689	(1,731)	1,531	-
Total items that will not be reclassified subsequently to profit or loss					
		(13,907)	7,983	(6,122)	-
Total other comprehensive income (expenses)		(197,244)	147,924	37,070	74,989
Total comprehensive income		3,228,307	2,926,893	4,106,493	3,080,633
Net profit attributable to					
		3,317,102	2,733,681	4,069,423	3,005,644
		108,449	45,288	-	-
Total comprehensive income attributable to					
		3,118,956	2,877,666	4,106,493	3,080,633
		109,351	49,227	-	-
Earnings per share of Equity holders of the Bank					
	38	3.92	3.25	4.81	3.58
	38	3.92	3.24	4.81	3.56

The accompanying notes are an integral part of these consolidated and bank financial statements.

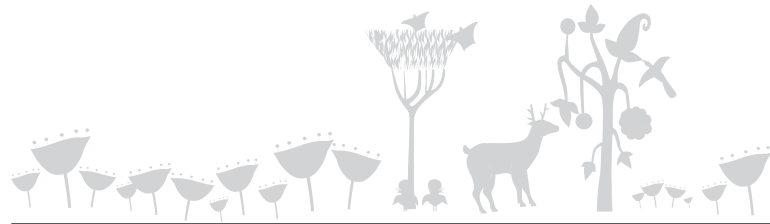
Kiatnakin Bank Public Company Limited and Subsidiaries

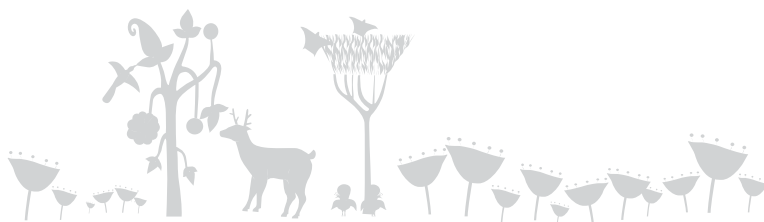
Statement of Changes in Equity

For the year ended 31 December 2015

Consolidated (Thousand Baht)													
Equity attributable to the Bank's shareholders													
Notes	Issued and paid-up share capital	Premium on share capital	Other components of equity			Appropriated retained earnings		Unappropriated retained earnings	Total equity attributable to the Bank's shareholders	Non-controlling interests	Total equity		
			Revaluation Surplus (Deficit) on investments in receivables	Revaluation Surplus (Deficit) on available-for-sale securities	Deferred tax relating to components of other comprehensive income (expenses)	Surplus on business combination under common control	Legal reserve					Others	
Opening balances as at 1 January 2014	8,388,331	9,203,653	1,001,917	(430,583)	12,941	(4,097)	852,337	380	15,919,050	34,943,929	200,492	35,144,421	
Impact of new accounting standard adoption	-	-	-	436,095	(41,549)	(19,991)	-	-	174,533	549,088	54,319	603,407	
Opening balances after adjustment	8,388,331	9,203,653	1,001,917	5,512	(28,608)	(24,088)	852,337	380	16,093,583	35,493,017	254,811	35,747,828	
Dividend paid	-	-	-	-	-	-	-	-	(1,805,921)	(1,805,921)	-	(1,805,921)	
Increase in ordinary shares	40,005	77,089	-	-	-	-	-	-	-	117,094	-	117,094	
Total comprehensive income (expense)	-	-	(8,326)	173,844	(29,514)	-	-	-	2,741,662	2,877,666	49,227	2,926,893	
Surplus on business combination under common control	-	-	-	-	-	(125)	-	-	-	(125)	-	(125)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(74,644)	(74,644)	
Closing balances as at 31 December 2014	8,428,336	9,280,742	993,591	179,356	(58,122)	(24,213)	852,337	380	17,029,324	36,681,731	229,394	36,911,125	
Opening balances as at 1 January 2015	8,428,336	9,280,742	993,591	(240,348)	(20,086)	(4,097)	852,337	380	16,757,192	36,048,047	146,820	36,194,867	
Impact of new accounting standard adoption	-	-	-	419,704	(38,036)	(20,116)	-	-	272,132	633,684	82,574	716,258	
Opening balances after adjustment	8,428,336	9,280,742	993,591	179,356	(58,122)	(24,213)	852,337	380	17,029,324	36,681,731	229,394	36,911,125	
Dividend paid	-	-	-	-	-	-	-	-	(1,986,604)	(1,986,604)	-	(1,986,604)	
Increase in ordinary shares	39,175	75,491	-	-	-	-	-	-	-	114,666	-	114,666	
Total comprehensive income (expense)	-	-	(85,215)	(123,300)	24,275	-	-	-	3,303,196	3,118,956	109,351	3,228,307	
Surplus on business combination under common control	-	-	-	-	-	(190)	-	-	-	(190)	-	(190)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(111,348)	(111,348)	
Closing balances as at 31 December 2015	8,467,511	9,356,233	908,376	56,056	(33,847)	(24,403)	852,337	380	18,345,916	37,928,559	227,397	38,155,956	

The accompanying notes are an integral part of these consolidated and bank financial statements.

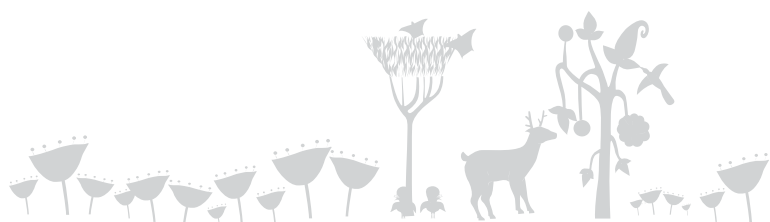




Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2015

	Note	The Bank's (Thousand Baht)							Unappropriated retained earnings	Total equity
		Issued and paid-up share capital	Premium on share capital	Revaluation Surplus (Deficit) on investments in receivables	Revaluation Surplus (Deficit) on available-for-sale securities	Deferred tax relating to components of other comprehensive income (expenses)	Legal reserve	Others		
Opening balances as at 1 January 2014		8,388,331	9,203,653	131,278	99,235	(46,102)	852,337	380	14,712,005	33,341,117
Dividend paid	34	-	-	-	-	-	-	-	(1,805,921)	(1,805,921)
Increase in ordinary shares	30	40,005	77,089	-	-	-	-	-	-	117,094
Total comprehensive income (expense)		-	-	(22,955)	116,691	(18,747)	-	-	3,005,644	3,080,633
Closing balances as at 31 December 2014		8,428,336	9,280,742	108,323	215,926	(64,849)	852,337	380	15,911,728	34,732,923
Opening balances as at 1 January 2015		8,428,336	9,280,742	108,323	215,926	(64,849)	852,337	380	15,911,728	34,732,923
Dividend paid	34	-	-	-	-	-	-	-	(1,986,604)	(1,986,604)
Increase in ordinary shares	30	39,175	75,491	-	-	-	-	-	-	114,666
Total comprehensive income (expense)		-	-	3,228	50,762	(10,798)	-	-	4,063,301	4,106,493
Closing balances as at 31 December 2015		8,467,511	9,356,233	111,551	266,688	(75,647)	852,337	380	17,988,425	36,967,478

The accompanying notes are an integral part of these consolidated and bank financial statements.



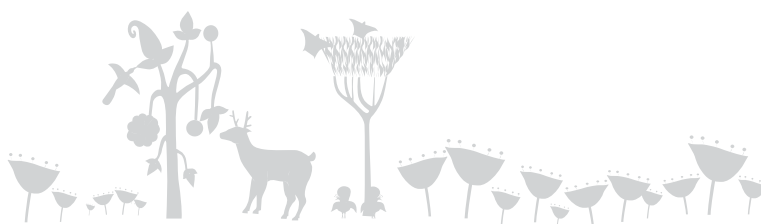
Kiatnakin Bank Public Company Limited and Subsidiaries

Statement of Cash Flows

For the year ended 31 December 2015

	Consolidated		The Bank's	
	2015 Thousand Baht	Restated 2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Cash flows from operating activities				
Profit from operating before income tax expenses	4,027,124	3,163,333	4,402,688	3,122,736
Adjustments to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities				
Depreciation	330,662	388,441	195,801	243,077
Amortisation	88,631	92,949	73,358	68,871
Amortisation of premium on investments in securities	33,262	56,200	33,262	56,200
Bad debt and doubtful accounts	3,932,432	3,486,294	3,844,925	3,485,419
Loss on impairment of investments in receivables	20,857	86,320	27,608	79,236
Gain from transferring investments in receivables to loans	(28,788)	(1,762)	(28,788)	(1,762)
Unrealised loss on trading and foreign exchange transactions	648,017	25,792	697,230	82,302
(Gain) loss on remeasuring trading securities	250,738	(241,095)	203,875	21,810
Loss on impairment on investments in subsidiaries	-	-	251,696	542,461
Loss on diminution in value of properties foreclosed (Reversal)	423,931	(249,115)	439,754	(255,939)
(Gain) loss on impairment of other assets	(29,350)	(3,600)	6,987	19,714
(Gain) loss on disposal of investment in securities	(72,715)	(246,400)	(8,434)	(5,750)
Gain on disposal of equipment	(13,306)	(8,943)	(10,614)	(8,607)
Loss on write-off of equipment	24,507	13,473	24,033	13,246
Net interest income	(9,481,812)	(8,969,628)	(9,039,425)	(8,528,037)
Dividend income	(321,246)	(278,332)	(2,961,719)	(2,591,191)
Proceeds from interest income	15,049,860	16,098,195	14,527,166	15,436,795
Interest paid	(5,517,022)	(7,215,673)	(5,446,853)	(7,133,956)
Dividend received	320,279	278,245	113,136	61,214
Cash paid for corporate income tax	(615,992)	(897,402)	(346,439)	(553,570)
Increase in provision expenses	23,133	34,822	7,587	29,310
Decrease in specific business tax payable	(6,984)	(1,351)	(6,741)	(1,193)
Increase in accrued expenses	191,194	(132,289)	191,687	(34,298)
Profit from operating before changes in operating assets and liabilities	9,277,412	5,478,474	7,191,780	4,148,088
(Increase) decrease in operating assets				
Interbank and money market items	(2,791,790)	2,734,470	(4,944,539)	2,523,734
Investments in trading and available-for-sale securities	7,106,154	219,011	5,334,074	(1,458,700)
Investments in receivables	302,147	527,081	45,708	144,241
Loans and receivables	(1,976,267)	(1,947,647)	(2,901,666)	(681,531)
Properties foreclosed	4,681,386	6,221,583	4,797,809	5,820,955
Securities and derivative business receivables	(7,139,849)	2,883,612	-	-
Accounts receivable from clearing house	1,537,232	(2,107,092)	-	-
Other assets	(1,326,310)	(22,295)	(973,964)	36,296

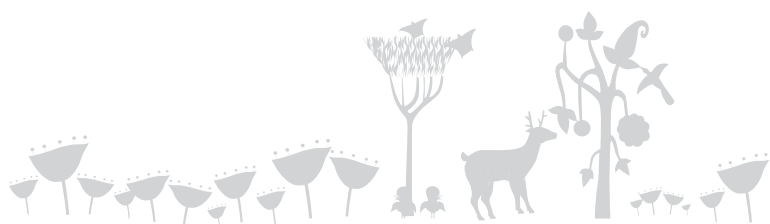
The accompanying notes are an integral part of these consolidated and bank financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2015

	Consolidated		The Bank's	
	2015 Thousand Baht	Restated 2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Cash flows from operating activities (Cont'd)				
Increase (decrease) in operating liabilities				
Deposits	(27,970,267)	(13,684,565)	(27,641,569)	(13,702,298)
Interbank and money market items	(585,628)	3,139,048	(992,893)	3,365,224
Liabilities payable on demand	73,045	(98,759)	75,155	(98,758)
Short-term borrowings	-	(6,567,837)	-	(6,367,837)
Accounts payable to clearing house	27,305	19,704	-	-
Securities and derivative business payables	2,641,409	(1,711,371)	-	-
Other payables	23,998	(118,387)	55,529	212,144
Other liabilities	(422,307)	2,262,130	(424,357)	1,925,761
Net cash from operating activities	(16,542,330)	(2,772,840)	(20,378,933)	(4,132,681)
Cash flows from investing activities				
Cash paid for long-term investments in securities	(5,987,558)	(6,852,377)	(4,702,979)	(3,322,410)
Proceeds from long-term investments in securities	7,380,514	4,981,507	6,093,627	916,266
Proceeds from reduction of the capital in subsidiaries	-	-	862,745	-
Dividend received and profit sharing from subsidiaries	-	-	1,024,730	2,529,977
Cash paid to minority shareholders for purchasing of additional shares of subsidiary	-	-	(159)	(605)
Cash paid for investment in property	(472,073)	(5,675)	-	-
Cash paid for building improvement and equipment	(764,274)	(162,586)	(178,456)	(73,792)
Proceeds from sales of equipment	16,754	9,341	13,866	8,607
Purchases of intangible assets	(229,977)	(133,816)	(194,623)	(59,784)
Net cash from investing activities	(56,614)	(2,163,606)	2,918,751	(1,741)
Cash flows from financing activities				
Proceeds from increase in share capital	114,666	117,094	114,666	117,094
Proceeds from issuance of debentures	85,179,723	66,799,398	77,043,000	52,716,600
Cash paid for redemption of debentures	(66,866,341)	(60,029,055)	(57,980,000)	(46,823,055)
Dividend paid	(1,986,604)	(1,805,921)	(1,986,633)	(1,805,921)
Dividend paid to non-controlling interests	(100,238)	(69,265)	-	-
Decrease in share capital of non-controlling interest	(11,300)	(5,504)	-	-
Net cash from financing activities	16,329,906	5,006,747	17,191,033	4,204,718
Net increase (decrease) in cash and cash equivalents	(269,038)	70,301	(269,149)	70,296
Cash and cash equivalents as at 1 January	1,301,090	1,230,789	1,299,783	1,229,487
Cash and cash equivalents as at 31 December	1,032,052	1,301,090	1,030,634	1,299,783

The accompanying notes are an integral part of these consolidated and bank financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2015

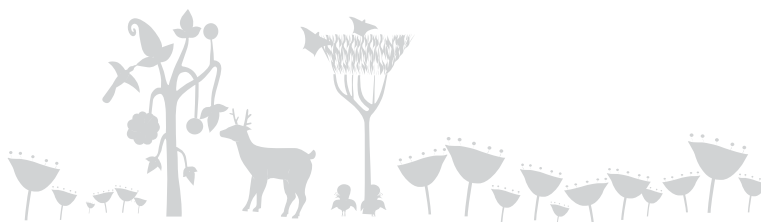
Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	Restated 2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Account payables from Land, premises and equipment purchased	27,040	18,885	31,810	1,615
Transfer of assets for loan settlement	5,962,833	5,493,712	5,669,202	4,700,208
Transfer of investments in receivables to loans	3,826	36,817	3,826	36,817
Increase (decrease) in fair value reserves on investments in receivables	(84,279)	(4,407)	3,228	(22,955)
Increase (decrease) in fair value reserves on available-for-sale securities	(119,875)	189,912	50,762	116,691
Pay-in-kind properties foreclosed for reduction and distribution of the capital of the subsidiaries	-	-	330,838	229,417
Profit sharing in form of pay-in-kind	-	-	1,823,854	-

The accompanying notes are an integral part of these consolidated and bank financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries

Note to the Consolidated and the Bank's Financial Statements

For the year ended 31 December 2015

1. General

Kiatnakin Bank Public Company Limited ("the Bank") was incorporated in Thailand. Its head office is located at 500 Amarin Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok. The Bank provides banking business through its branches network in Thailand. As at 31 December 2015 and 2014, the Bank has 13 and 14 subsidiaries and funds ("subsidiaries"), respectively.

This consolidated and bank financial statements have been approved for issued by the Board of Directors on 25 February 2016.

2. Accounting Policies

The principal accounting policies applied in the preparation of these consolidated and Bank financial statements are set out below.

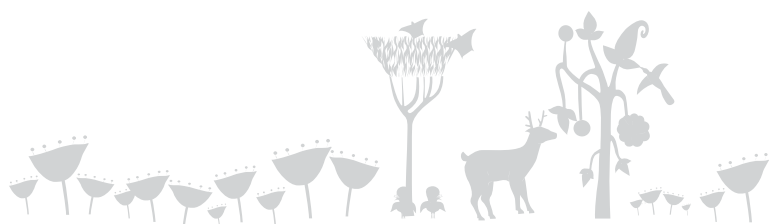
2.1 Basis of preparation

The consolidated and bank financial statements ("the financial statements") are prepared in accordance with Thai financial reporting standards under the Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission ("SEC"). The primary financial statements (i.e. statements of financial position, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Notification of the Bank of Thailand ("BOT"), no. Sor-NorSor 21/2558. The preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated on 4 December 2015.

The consolidated and Bank financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with the Thai financial reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and bank financial statements, are disclosed in note 6 to the financial statements.

An English-language version of the financial statements has been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.



2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.

a) Financial reporting standards, which have an impact to the Group;

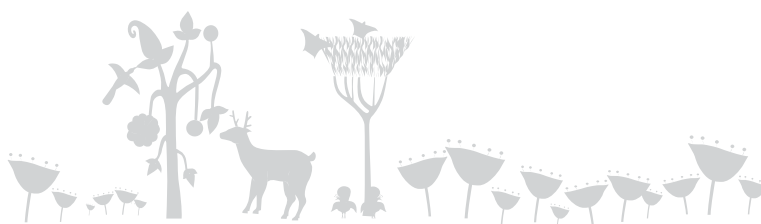
TAS 1 (revised 2014)	Presentation of financial statements
TAS 19 (revised 2014)	Employee benefits
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The Group has already grouped and presented items in statement of profit or loss and other comprehensive income following the changes in this standard.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. This standard has no significant impact to the Group since the Group has already recognised actuarial gains and losses and past service costs in accordance with any amendment to this standard.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. This standard has no significant impact to the Group.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The significant impact to the Group is described in Note 3.



TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. This standard has no impact to the Group, except for disclosures which the Group has disclosed in Note 55.

b) Financial reporting standards with minor changes

There are 41 financial reporting standards with minor changes. The management assesses that they do not have an impact on the Group financial statements.

2.2.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:

a) Financial reporting standards, which have an impact to the Group:

TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 40 (revised 2015)	Investment property
TFRS 8 (revised 2015)	Operating segments
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement

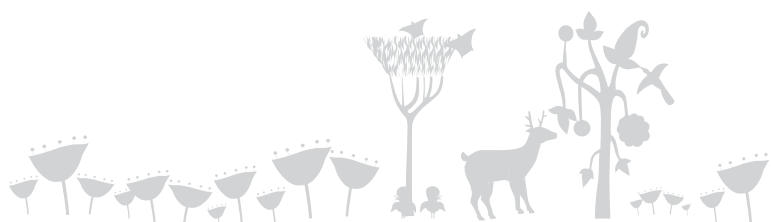
TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.



TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non-financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

The management has already assessed that those accounting standards have no significant impact on the Group financial statements.

b) Financial reporting standards with minor changes

There are 40 financial reporting standards with minor changes. The management assesses that they do not have an impact on the Group financial statements.

2.3 Basis for Preparation of the Consolidated Financial Statements

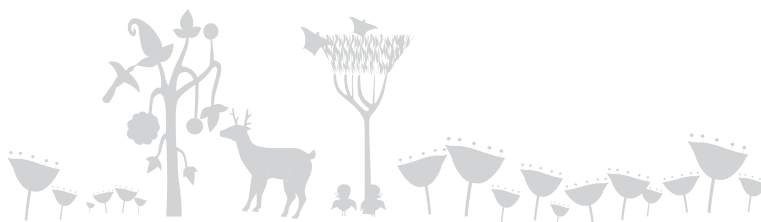
The consolidated financial statements include the accounts of the head office and all branches of the Bank and its subsidiaries (collectively known as "the Group") where the Bank has a controlling interest. Significant related party transactions and balances have been eliminated. The subsidiaries which were incorporated in Thailand are as follows;

	Type of business	Ownership interest (%)	
		2015	2014
Phatra Capital PCL.	Holding Company	99.98	99.98
Phatra Securities PCL.	Securities	99.95 ⁽¹⁾	99.95 ⁽¹⁾
KKTRADE Securities Co., Ltd.	Securities	99.97 ⁽²⁾	99.97 ⁽²⁾
Phatra Asset Management Co., Ltd.	Fund Management	99.97 ⁽²⁾	99.97 ⁽²⁾
Erawan Law Office Co., Ltd.	Law Office	99.93	99.93
Asia Recovery 1 Fund	Investments	99.95	99.95
Asia Recovery 2 Fund	Investments	99.59	99.59
Asia Recovery 3 Fund	Investments	99.97	99.97
Thai Restructuring Fund	Investments	98.91	98.91
Asia Recovery Property Fund 1	Investments	— ⁽³⁾	99.52
Asia Recovery Property Fund 3	Investments	98.77	98.77
Bangkok Capital Fund	Investments	95.72	95.72
Gamma Capital Fund	Investments	94.03	94.03
CMIC Development Co., Ltd.	Real estate	80.58	80.58

⁽¹⁾ Indirectly holding via Phatra Capital PCL. of 99.97%

⁽²⁾ Indirectly holding via Phatra Capital PCL. of 99.99%

⁽³⁾ Liquidated in 2015



2.4 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

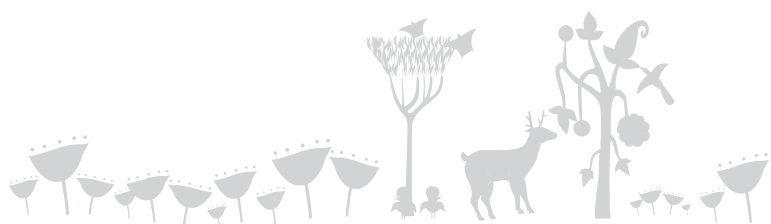
The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in statement of profit or loss and other comprehensive income.

In the Bank's separated financial statements, intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



Investment in subsidiaries are accounted for at cost less allowance for impairment. Impairment of investment in subsidiaries is charged to the statement of profit or loss and other comprehensive income when the carrying value of the investment in subsidiaries is higher than its fair value.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in owners' equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

A list of the subsidiaries is set out in Note 2.3

2.5 Foreign currency translation

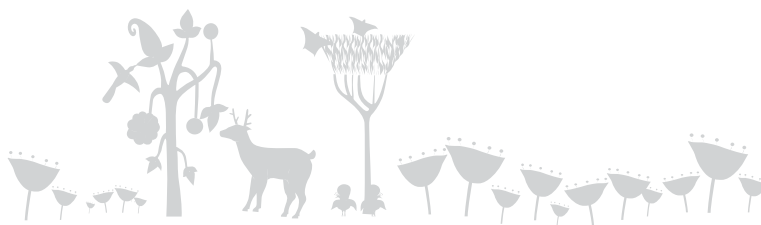
(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Baht which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.



2.6 Cash

Cash includes cash on hand according to the BOT's Notification.

2.7 Investments in securities

2.7.1 Basis of investment classification

The Group classifies investments other than investments in subsidiaries into the following four categories: trading, held-to-maturity, available-for-sale and general investments. The classification depends on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale. Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

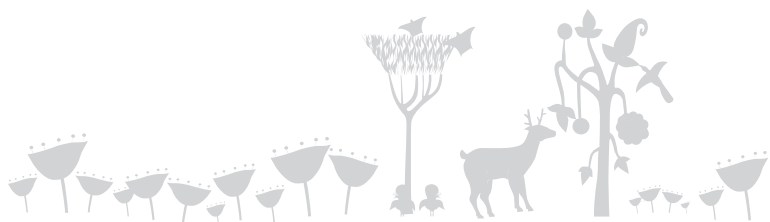
Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.

2.7.2 Trading and available-for-sale investments

The Group states trading and available-for-sale investments at fair value in the statements of financial position. The fair value of debt securities traded in the established market is based on the quoted prices or yields of the Thai Bond Market Association at the reporting date, or the latest trading date prior to the reporting date if there was no trading on that date of the Thai Bond Market Association. If the debt securities are not traded in the established market, the fair value is calculated by reference to the risk-free yield curve adjusted by an appropriate risk premium. The fair value of equity securities is based on the last bid price quoted by the Stock Exchange of Thailand at the reporting date. The fair value of unit trusts is determined from the net assets value (NAV) published by mutual fund management companies as the fund managers.

Unrealised gain or loss resulting from changes in fair value of trading investments and gain or loss on disposals are reported as gain on trading and foreign exchange transaction recognised in the statements of profit or loss and other comprehensive income.

Unrealised gain or loss resulting from changes in fair value of available-for-sale investments are reported as a component of equity through other comprehensive income until realised, after which gain or loss on disposal of the investments will be recognised as net gain (loss) on investments.



2.7.3 Held-to-maturity investments

The Group states held-to-maturity investments at amortised cost using the effective yield method less allowance for impairment (if any) in the statements of financial position.

2.7.4 General investments

The Group states general investments at cost less allowance for impairment in value, (if any) in the statements of financial position.

2.7.5 Impairment of investments in securities

Investments in securities of the Group are tested for impairment when there is a factor indicating that an investment in securities might be impaired. If the carrying amount of the investments in securities is higher than its recoverable amount, impairment loss is charged to the statements of profit or loss and other comprehensive income.

2.7.6 Gain (loss) from disposal of investments in securities

The Group recognises income of investments in securities when there is disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

When a particular investment is partly disposed of, the carrying amount of disposed part is determined by the weighted average method of the carrying amount of the total holding of such investment.

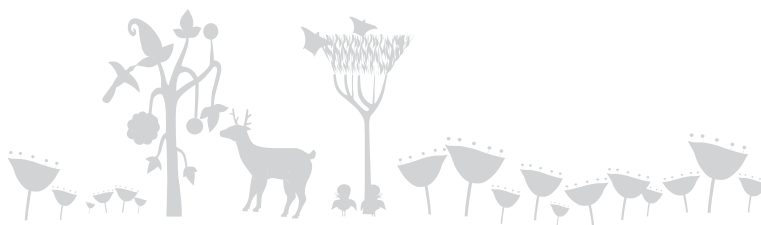
2.8 Valuation of investments in receivables

The investments in receivables are the investments in commercial and hire-purchase loans with or without collateral. These commercial and hire-purchase loans have no readily ascertainable market values available and, therefore, are reported at the estimated fair value. Fair value of investments in receivables is determined by the net present value of estimated future cash flows from sales of collateral.

Changes in fair value of investments in receivables is reported in a separate component of equity, except where the Group disposes such investments, the realised gain or loss will be recognised in the statements of profit or loss and other comprehensive income.

Investments in receivables of the Group are tested for impairment when there is a factor indicating that an investment in receivables might be impaired. If the carrying value of the investments in receivables is higher than its recoverable amount, impairment loss is charged to the statement of profit or loss and other comprehensive income.

For the Bank, where there is a change in terms or contracts through debt restructuring agreements, the investments in receivables will be transferred to loans account to comply through debt restructuring agreements, with the BOT's Notification No. Sor Nor Sor. 20/2558 Re: Accounting procedures for financial institution. The Bank will record the transfer at the fair value on the day the transfer occurred. The difference between book



value and fair value will be recognised immediately in the statement of profit or loss and other comprehensive income. In case where there is a gain, the Bank will take into consideration of the probability of future cash flow to be received.

2.9 Valuation of investments in property

The investments in property are the investments in real estate business of the subsidiaries, which are mutual funds and office rental and servicing provider.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives which are around 40-60 years.

The Group recognises the difference between the net disposal proceeds and carrying amount as income or expenses to the statement of profit or loss and other comprehensive income when there is disposal of an investment property.

2.10 Loans

Overdrafts are stated at the principal amounts including interest. Other loans are stated at the principal amount. Unearned discounts received in advance are presented as deduction from the loans.

Hire purchase and finance lease receivables are stated at the contract value of the hire-purchase and finance lease receivables net of unearned income, which is presented after netting prepaid commission expenses and initial direct costs at the inception of the contracts.

Securities business receivable comprises of the receivable of credit balance accounts for which the securities purchased are used as collateral, and other receivables such as overdue amounts in cash accounts and securities receivables which are under legal proceedings, are undergoing restructuring, or are being settled in installments. The receivable balances of cash accounts are presented under the caption of Securities and derivative business receivables.

2.11 Allowance for doubtful accounts

The Bank classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the BOT's Notification dated 3 August 2008 and with the management estimation over the allowance for doubtful accounts from the ending balance of loans. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan. The value of collateral

used depends on each type of collateral. The Bank categorises their loan portfolios into six categories and determines allowance for doubtful accounts subject to different levels of provisioning.

The Bank sets allowance on loan receivables and fleet car hire-purchase receivables classified as substandard, doubtful and doubtful of loss, at the rate of 100% of the difference between outstanding loan value and present value of expected cash flow from receivables or present value of expected cash flow from disposal of the collateralised assets. The discount rate and expected collateral disposal duration is referenced from the BOT's guideline. For receivables classified as normal and special mention, the Bank sets allowance for doubtful account at the rate of 1% and 2% of outstanding loan value net of collateralised assets.

The Bank provides allowance for doubtful accounts on hire-purchase receivables by using the collective approach method which considers from the historical loss suffered by calculating using the probability of default and the percentage of loss given default. Inclusively, the Bank adjusted historical loss data for key domestic and international economic factors which may influence repayment abilities of the receivables. The Bank also sets additional allowance for doubtful accounts from the collective approach to certain classes of receivables in order to be conservative.

The Bank's subsidiaries operating as securities companies have provided for an allowance for doubtful accounts on securities and derivatives business receivables based on assessment of the status of individual debtor as well as the announcement of the Office of the Securities and Exchange Commission Notification. Such assessment takes into consideration the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full.

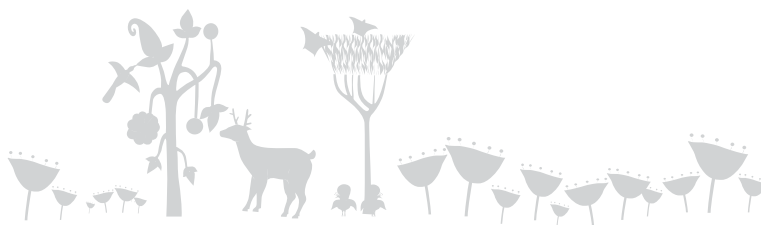
For increase or decrease in allowance for doubtful accounts, the Group are recorded as an expense or decrease in expenses during the accounting period.

Bad debts are written off during the period in which they are identified. Bad debts recovery is recorded by reducing bad debts and doubtful accounts expenses in the statements of profit or loss and other comprehensive income.

2.12 Troubled debt restructuring

The Bank accounts for troubled debt restructuring in accordance with guidelines approved by BOT. The Bank records the assets or equity securities transferred to the Bank for debt settlements at the lower of fair values of the assets or equity securities, less estimated selling expenses, or the amount of investments in receivables (including non-accrued interest income at the restructuring date).

In cases where the debt restructuring involves modifications to terms of receivables as accepted by the Bank, the fair value of investments in receivables after restructuring is based on the net present value of expected future cash flows discounted using the original effective interest rate for hire-purchase receivables and using



the Minimum Lending Rates (MLR) for other loan types prevailing at the restructuring date.

The Bank recognise losses arising from debt restructuring by the waiver of loan principal or recorded accrued interest receivables, less recorded allowance, in the statement of profit or loss and other comprehensive income when incurred.

The Bank recalculate the fair value of restructured debts based on the aforementioned discount interest rate as of the date of the monthly financial statements and adjust the valuation on debt restructured for any change, 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 purchased and subsequently restructured, the Bank calculate the fair value of restructured debt as of the restructuring date and recognise 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.

Legal fees and other direct costs incurred as a result of the debt restructuring are expensed when incurred.

2.13 Properties foreclosed

Properties foreclosed include land and/or construction, leasehold, condominium and repossessed vehicles.

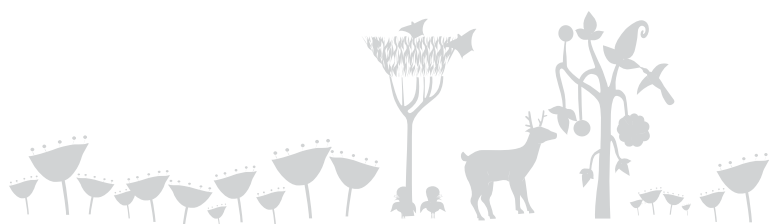
The Bank states land and/or construction, leasehold and condominium at the lower of the outstanding loan principal including accrued interest or fair value.

Repossessed vehicles are stated at the lower of cost or fair value at the transferred date. Fair value is calculated by using market value (Red book).

Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in the statements of profit or loss and other comprehensive income when the disposal is made. Impairment loss (if any) is recognised as expense in the statements of profit or loss and other comprehensive income.

2.14 Land, premises and equipment

The Group states land at historical cost, while premises and equipment are stated at historical cost less accumulated depreciation.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the cost of each asset, except for land, to its residual value over its estimated useful life as follows;

Premises and building improvement	5-60 years
Equipment	3-5 years
Furniture and fixtures	3-5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

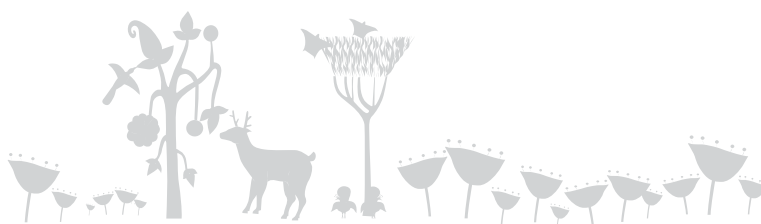
2.15 Goodwill in a business combination

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

For excess of net fair value of the identifiable net assets over purchase cost as at the date of acquisition, the Group recognises that excess as revenue recorded in the consolidated statements of profit or loss and other comprehensive income.



2.16 Intangible assets

2.16.1 Computer software

Acquired computer software licenses are capitalised when the Group uses the specific software. These costs are amortised over their estimated useful lives of not exceeding 10 years.

2.16.2 TFEX membership license

The subsidiary, which is the securities business, recognised TFEX membership license as intangible asset without amortisation. The subsidiary tests it for impairment annually and allowance for impairment (if any) will be set up and recorded as loss on impairment in the statement of profit or loss and other comprehensive income.

2.16.3 Deferred license fee

The subsidiaries amortise deferred license fee on a systematic basis over the useful economic useful life of 5 years.

2.17 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognised in the profit or loss.

2.18 Receivables from Clearing House

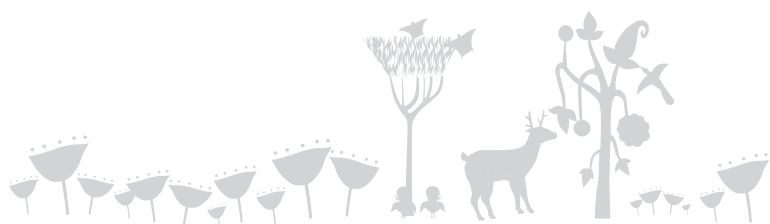
Receivables from Clearing House comprise of net receivable from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, and net receivable from TCH from derivatives trades of subsidiaries which include cash collateral pledged with TCH for derivatives trades.

2.19 Securities and derivatives business receivables

Securities and derivatives business receivables are cash account traders which are the receivables that were derived from cash settlements within 3 working days, after the securities purchasing date. Securities and derivatives business receivables are also included receivables from securities borrowing and lending.

2.20 Payables to Clearing House

Payables to Clearing House comprise of net payable to Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand and net payable to TCH which is margin required by TCH for derivatives business of subsidiaries.



2.21 Securities and derivatives business payables

Securities and derivatives business payables are the obligation of the subsidiary in respect to securities and derivatives business with outside parties, such as the net payable of cash accounts, obligation to deliver securities as a result of short sales or securities borrowing and obligation to return assets held by the subsidiary as customers' collateral for securities lending, etc.

2.22 Structured notes

The Group's structured notes are offered to customers or business associates of the Group, which are institutional investors or high net worth investors, through private placements. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

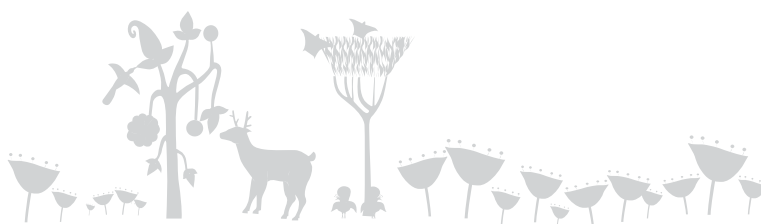
Structured notes comprise of 2 parts which are a note and a put or a call option. If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Group will separately account the embedded derivative from the host contract and measure the embedded derivative under "derivatives assets/liabilities" in the statement of financial position. The host contract will be accounted for under the related accounting standards. On the other hand, if the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards.

The initial recognition of structured notes comprises of notes and options. The cost of notes is recorded at amortised cost. The discount is amortised by the effective interest rate method. For an option-based note, it is calculated from selling prices of structured notes less the cost of notes. The balances of structured notes are subsequently measured at fair value. Changes in fair value are reflected in profit or loss. The value of the option part is calculated from the Black-Scholes model as a valuation technique and theoretical model. The input variables used in this model are derived from observable market variables and conditions that include market prices of the underlying asset, volatility of the underlying asset, time to maturity of option, risk free rate, strike price and dividends.

2.23 Employment benefit

Provident fund

The Group operates a provident fund that is a defined contribution plan, the assets of which are held separately from the Group and managed by an external authorised fund manager in accordance with the provident fund Act. B.E. 2530. The provident fund is funded by payments from employees and by the Group. The Group has no further payment obligations once the contributions have been paid. Contributions to the provident fund are recognised as employee benefit expense when they are due.



The Group and every employee are required to make contributions at the same rates as follows;

Service periods	Contribution rate (%)
Less than 5 years	5
Over 5 years	8-10

Post-employment benefit obligation

Legal severance payment plan

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

The obligation of this plan is considered as an unfunded defined benefit obligation under TAS 19 Employee benefits and is separately measured by an actuary using the projected unit credit method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, employees' turnover rate, salary increase rate, mortality rate, discount rate, years of service and other factors.

Remeasurements of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

The Group recognises the post-employment benefit obligation as a provision in the statement of financial position and personnel expenses in the statement of profit or loss and other comprehensive income.

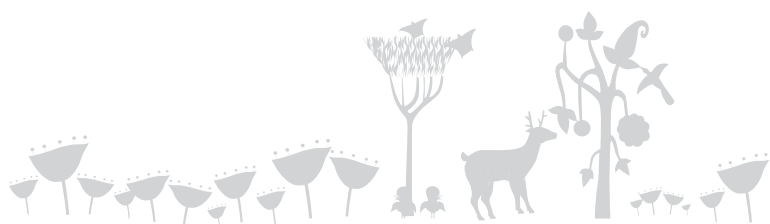
Benefit from carried forward leave

The Group recognises the benefit from employees' cumulative carried forward leave as a provision in the statement of financial position and personnel expenses in the statement of profit or loss and other comprehensive income.

2.24 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.25 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

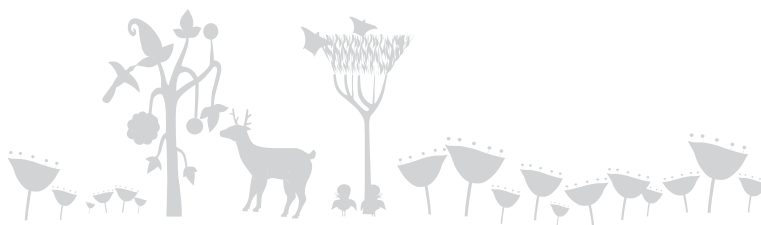
Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Derivatives

Recognition of derivatives is as follows;

2.26.1 Derivatives for trading are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2.26.2 Derivatives for hedging of transactions which are measured on an accrual basis are recorded as off-financial reporting items and income and expense are recognised on an accrual basis equivalent to that used for the underlying transactions.



2.27 Recognition and amortisation customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts and placed as margin for derivatives trading is recorded as assets and liabilities of the subsidiary for internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

2.28 Securities borrowing and lending

The Group is engaged in securities borrowing and lending, whereby the Group acts as a principal of the borrowers and lenders of securities.

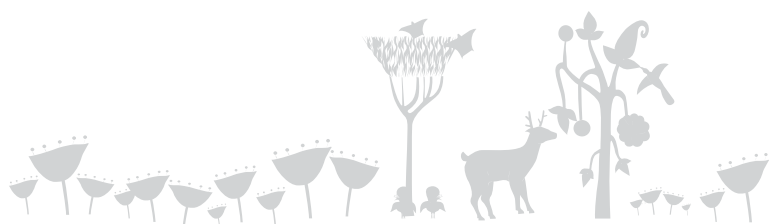
The Group records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing and lending payables" recognised as Securities and derivatives business payables, net in the statements of financial position, and securities lent to customers as "Securities borrowing and lending receivables" recognised as Securities and derivatives business receivables in the statement of financial position. The balance of securities borrowing and lending receivables and payables are subsequently measured at fair value. The fair value is based on last offer price quoted on the Stock Exchange of Thailand of the last business day on the statement of financial position date. Unrealised gains or losses resulting from securities borrowing and lending receivables and payables are included in gain (loss) on investments in profit or loss. Moreover, the Group records cash paid as collateral for securities borrowing as "Collateral receivables" and cash received as collateral for securities lending as "Collateral payables". Fees from borrowing are charged to expenses, and fees from lending are recognised as revenue. They are recognised on an accrual basis over the term of the borrowing and lending.

2.29 Accounting for lease

Leases of premises or equipment which substantially all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance lease balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period. Assets acquired from financial lease will be depreciated throughout the assets life time or the period of contracts, whichever is the lower.

Leases which a significant portion of the risks and rewards of ownership retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which such termination takes place.



2.30 Interest income on loans and deposits

Interest income on loans and deposits are recognised as income on an accrual basis, except in the case of interest on loans which is over three months past due from the due date where interest is recognised on collection basis. The Bank reverses accrued interest income on loan when its principal or interest payment has become over three months past due to comply with the BOT's Notification dated on 3 August 2008. The Bank will recognise income only when cash is received and the Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

2.31 Hire-purchase and finance lease income

Interest income from hire-purchase contracts is recognised based on the effective interest method.

Interest income on hire-purchase is recognised on an accrual basis. The Bank reverses accrued interest income on hire-purchase when its principal or interest payment has become over three months past due to comply with the BOT's Notification dated on 3 August 2008. The Bank will recognise income only when cash is received and the Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

The Group recognises income from finance lease contracts on the effective interest method over the period of contracts.

2.32 Interest and dividend income from investment in securities

Interest income on investment in securities is recognised as income by applying effective interest method except in the case of interest on debt securities which is over three months past due where interest is recognised on cash basis. Dividend income is recognised when dividend is declared.

2.33 Income from investments in receivables

The Group recognises interest income from investments in receivables on the cash basis based on the outstanding loans multiplied by the effective yield according to contract or new agreement.

2.34 Fees and services income

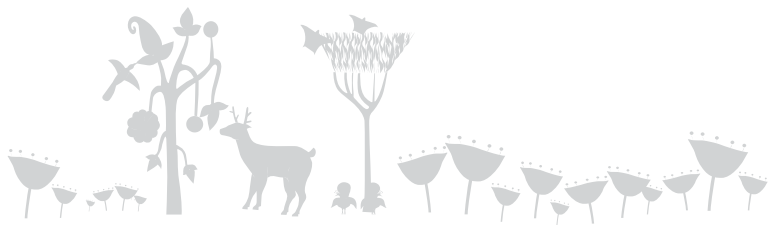
The Bank and its subsidiaries recognise fees and services income when services have been rendered.

2.35 Recognition of expenses

The Group recognises expenses on an accrual basis.

2.36 Earnings per share

The Group computes basic earnings per share by dividing the net profit for the period by the weighted-average number of issued and paid-up ordinary shares during the period. The diluted earnings per share are computed by dividing the net profit for the period adjusted by expense (after tax effect) saved from the conversion of dilutive potential ordinary shares, by the weighted-average number of ordinary shares (included potentially dilutive shares).



2.37 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

2.38 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

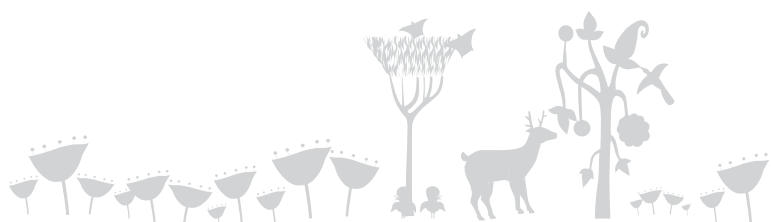
3. New Accounting Policies

Consolidated Financial statement

Due to the effective of TFRS 10 (Consolidated financial statement) in 2015, the Federation of Accounting Professions cancelled the notification no. 27/2550 dated on 15 August 2007, (Abatement of accounting standards adoption for TAS 44 and TAS 45) which allows financial institution under the supervision of the Bank of Thailand not to do the consolidated financial statements for the subsidiaries acquired from debt restructuring.

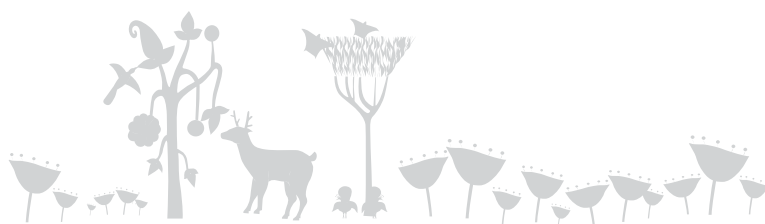
TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'.

From the effective of TFRS 10 and the cancellation of notification no. 27/2550, the bank is required to prepare consolidated financial statement by including CMIC Development Co., Ltd as the additional subsidiary and restated prior year financial statements. In addition, the Bank reclassified investments in this company from general investments to investments in subsidiaries in the Bank's financial statements.

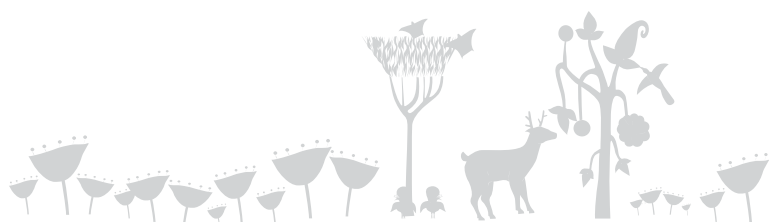


The effects of new accounting policies are as follows;

	Originally stated Thousand Baht	Adjustments Thousand Baht	Restated Thousand Baht
Consolidated statement of financial position as at 1 January 2014			
Assets			
Cash	1,230,769	20	1,230,789
Interbank and money market items, net	9,728,606	13,473	9,742,079
Investments in properties, net	57,300	391,871	449,171
Loans to customers and accrued interest receivables, net	184,778,449	(141,320)	184,637,129
Land, premises and equipment, net	1,223,427	431,467	1,654,894
Other intangible assets, net	425,028	59,824	484,852
Goodwill	3,085,607	(19,572)	3,066,035
Deferred tax assets	720,745	12,651	733,396
Other assets, net	1,859,483	(103,866)	1,755,617
Liabilities and equity			
Liabilities			
Deposits	145,996,498	(14,766)	145,981,732
Provisions	374,709	2,327	377,036
Income tax payable and specific business tax payable	526,922	7,299	534,221
Other liabilities	3,183,804	46,281	3,230,085
Equity			
Other components of equity	580,178	374,555	954,733
Unappropriated retained earnings	15,919,050	174,533	16,093,583
Non-controlling interests	200,492	54,319	254,811

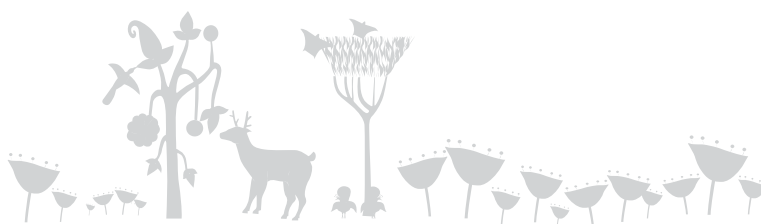


	Originally stated Thousand Baht	Adjustments Thousand Baht	Restated Thousand Baht
Consolidated statement of financial position as at 31 December 2014			
Assets			
Cash	1,301,070	20	1,301,090
Interbank and money market items, net	6,998,054	9,130	7,007,184
Investments in properties, net	37,179	386,289	423,468
Loans to customers and accrued interest receivables, net	177,480,172	(23,320)	177,456,852
Land, premises and equipment, net	1,017,470	427,842	1,445,312
Other intangible assets, net	423,328	117,807	541,135
Goodwill	3,085,731	(19,696)	3,066,035
Deferred tax assets	935,126	9,911	945,037
Other assets, net	1,865,514	(161,787)	1,703,727
Liabilities and equity			
Liabilities			
Deposits	132,314,751	(17,585)	132,297,166
Provisions	399,380	2,764	402,144
Income tax payable and specific business tax payable	262,466	9,344	271,810
Other liabilities	5,323,096	35,415	5,358,511
Equity			
Other components of equity	729,060	361,552	1,090,612
Unappropriated retained earnings	16,757,192	272,132	17,029,324
Non-controlling interests	146,820	82,574	229,394



	Originally stated Thousand Baht	Adjustments Thousand Baht	Restated Thousand Baht
Consolidated statements of profit or loss and other comprehensive income for the year ended 31 December 2014			
Interest income	15,942,066	(12,733)	15,929,333
Interest expenses	7,016,133	(228)	7,015,905
Gain on investments, net	248,530	12,920	261,450
Dividend income	278,395	(63)	278,332
Other operating income	290,660	142,168	432,828
Employee's expenses	3,811,084	10,368	3,821,452
Premises and equipment expenses	1,075,836	(35,334)	1,040,502
Taxes and duties	311,762	9,901	321,663
Other expenses	1,312,919	303	1,313,222
Income tax expenses	352,915	31,449	384,364
Net profit	2,653,136	125,833	2,778,969
Other comprehensive income :			
Gain on remeasuring available-for-sale securities	190,295	(16,428)	173,867
Income taxes relating to items that will be reclassified	(33,036)	3,517	(29,519)
Total comprehensive income	2,813,971	112,922	2,926,893
Basic earnings per share	3.14	0.11	3.25
Diluted earnings per share	3.13	0.11	3.24

In consolidation process, the Bank eliminated unrealised gain or losses on investment in available-for-sale of the subsidiary outstanding at first consolidation date which is presented as part of other components of equity in consolidated financial statements. The elimination is changed by sale of the investment in available-for-sale as at the date of business combination with subsidiary. As at 31 December 2014, the Bank eliminated unrealised gains or losses on investment in available-for-sale without adjustment of sell transaction. This resulted in under recording of other component of equity and over recording of retained earnings of Baht 382 million in the consolidated financial statements. The financial statements for the year ended 2014 were restated.



4. Capital Risk Management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 33 to the financial statements.

5. Risk Management

The risk management policy of the Group is emphasised on managing overall risks as a Group wide in order to ensure the appropriateness and effectiveness of the enterprise wide risk management. While each related business and department unit is required to sufficiently understand and effectively manage its risks incurred under the centralised framework and risk management policy of the Group, risk management department also plays important roles to control and review each business line and unit to ensure the sufficient risk management and control system.

Significant financial assets carried on the statement of financial position include cash, interbank and money market items, Derivative assets, investments in securities, investment in subsidiaries, investments in receivables, loans to customers and accrued interest receivables, account receivable from clearing house and securities and derivative business receivables. Significant financial liabilities carried on the statement of financial position include deposits, interbank and money market items, derivative liabilities, debt issued and borrowings, accounts payable to clearing house, securities and derivative business payable, accrued interest expenses, other account payables and legal execution department payable.

Risks relating to significant financial instruments held by the Group are summarised below:

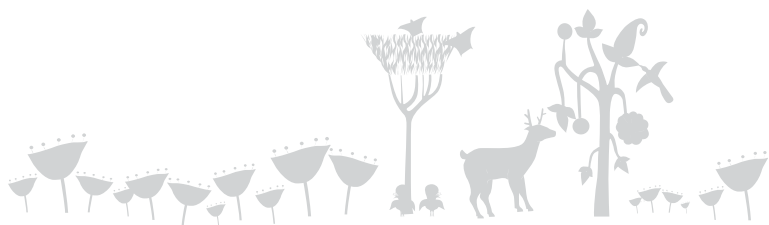
5.1 Credit risk

Credit risk refers to risk arising from the failure of either debtors to repay principal and interest as agreed, or of counterparties to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange, and other types of debts; and those off-financial reporting such as derivatives trading and letters of guarantee.

The Group has constantly improved its process of credit risk management to appropriately reflect its managed credit risk. Details of such improvement measures are as follows;

5.1.1 Credit Policy Adjustment

The Bank focuses on adjusting its main credit policy, business loan policy and personal loan policy to an adequate level of conservativeness and suitability to current environment. Counterparty credit policy and country credit policy have also been added to accommodate the Bank's extended reach to financial institution and corporation counterparties resulting from the merger with Phatra Capital.



5.1.2 Development of Credit Approval Aid

The Bank aims to consistently develop and improve its tools for assisting the credit approval process. Credit Scoring was implemented for the Bank to efficiently assess risks and select a customer group in accordance with its goals and strategy.

5.1.3 Loan portfolio Management

The Bank focuses on giving credit to businesses which the Bank has expertise. The Bank will manage its loan portfolio to maximise profit with an acceptable level of risk through the monitoring of loan portfolio position with a systematic information reporting, in-depth analysis for the identification of risks and solution planning. A concentration risk limit is also utilised to lessen the volatility in the Group's performance. Examples of concentration limits include the Single Lending Limit and the Large Borrower Concentration Limit.

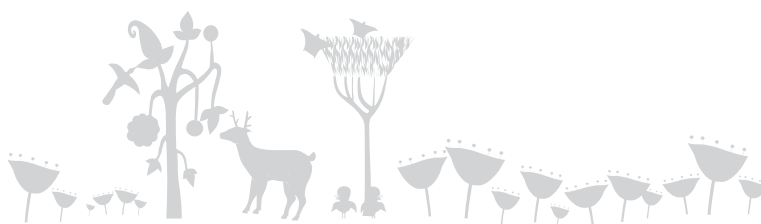
In the case of recognised financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for doubtful accounts, represents the maximum exposure to credit risk.

The Group 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 financial instruments will not adhere to the terms of the contract when settlement becomes due.

The Group is exposed to credit risk in case where the counter-party fails to comply with terms in accordance with off-statement of financial position financial instruments such as commitments to extend credit, standby letters of credit, and financial guarantees. Risk of aforementioned instruments equals the contractual notional amount of applicable instruments. The Group use the same credit policy in making commitments and conditional obligations as they do for on-statement of financial position financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amount does not represent the Group exposure to potential credit loss. The Group controls credit risk on financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

The Group has policies in place to ensure that loans are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the credit line of loan transaction to any client or financial institution.



As at 31 December 2015 and 2014, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Agriculture and mining	159,164	67,577	159,164	67,577
Manufacturing and commerce	8,862,558	11,959,518	8,862,558	11,959,518
Real estate and constructions	33,968,517	35,402,055	33,968,517	35,402,055
Public utilities and services	6,824,801	2,146,631	6,824,801	2,146,631
Housing loans	900,616	381,276	900,616	381,276
Hire-purchase loans	120,911,408	129,591,596	120,911,408	129,591,596
Finance lease loans	933,813	865,263	933,813	865,263
Others	5,404,710	4,223,502	7,594,645	5,194,408
Total loans and receivables	177,965,587	184,637,418	180,155,522	185,608,324

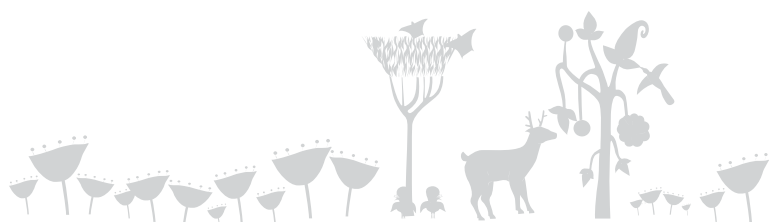
5.2 Market risk

Market risk refers to the value or price of assets, such as interest rate, exchange rate, asset in money or capital market, including price volatility of money and capital market securities which affects the value of price of derivatives, deviates and then takes effect to the Bank's stability on either Trading Book or Banking Book, and may negatively result the Bank's incomes and capital.

The Group has laid out a market risk management framework for the efficient and appropriate management of market risk while limiting the risk to the risk appetite and overall risk policy of the Group. The Group has also continually developed the throughout systematic market risk management scheme, starting from risk identification, measurement, control and monitor. The risk management scheme includes related market risk factors, such as, interest rates, foreign exchange rate, and equity price risks.

The Bank's risk management group is responsible for managing market risk of Bank's activities, which separated into 2 sections, trading book, and banking book. This is controlled by internationally accepted risk measurement tools, Value at Risk (VaR), price change per a basis point (PV01), and Net Open Position in Foreign Currency (NOP), for example.

The market risk management of the capital market business, which managed by subsidiaries, strategies chiefly invest in listed equities in The Stock Exchange of Thailand, and future contracts in The Thailand Futures Exchange. The market risks of these strategies are designed to be minimal by hedging their market risks.



However, the capital market business realises risks inherent in the investment strategies, as such, the risk level is set to be in line with the risk appetite. The risk management of the capital market business is responsible for setting internationally accepted risk limits, Value at Risk (VaR), maximum holding limit set according to daily trading volume, for instance. The risk management promptly reports to related parties when the set limit is breached, or when an unusual event occurs.

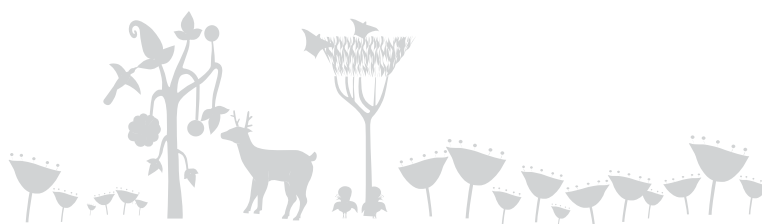
5.2.1 Interest rate risk

The Bank manages interest rate risk in trading book by limiting portfolio's sensitivity to interest rate change, including relevant foreign interest rates, to be in line with the risk appetite.

Interest rate risk management in banking book is to reduce negative impact arising from interest rate volatility. The Bank manages risk of the gap between asset and liability structures, which sensitive to interest rate change, both on statement of financial position, and off-statement of financial position. The Bank specifies to regularly evaluate the impacts on net interest income (Earning perspective), and economic value of equity (Economic value perspective), under supervision of the Assets and Liabilities Management Committee (ALCO). The treasury department is mainly responsible for managing the structure of assets and liabilities to be at an appropriate level, while the risk management group monitors and controls the risk, and reports to the Risk Management Committee and the Bank's Board of Directors on a regular basis.

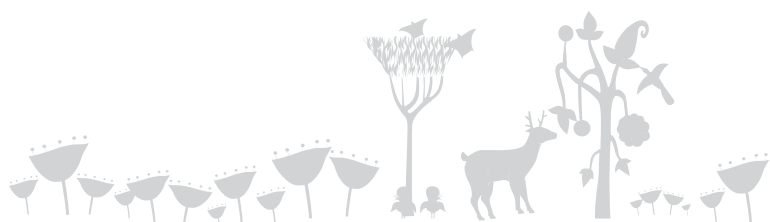
As at 31 December 2015 and 2014, the loan information classified by fixed and floating rates is summarised as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Loans and receivables with fixed interest rate	131,987,264	142,993,119	131,987,264	143,133,119
Loans and receivables with floating interest rate	45,978,323	41,644,299	48,168,258	42,475,205
Total loans and receivables	177,965,587	184,637,418	180,155,522	185,608,324

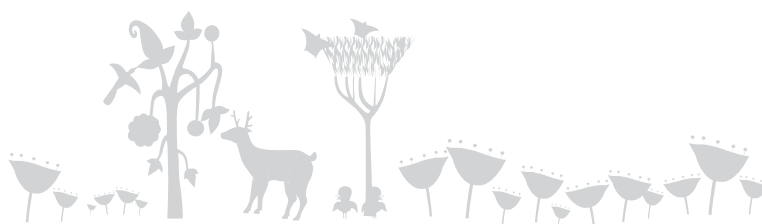


The Group has summarised financial assets and liabilities classified on maturity of interest re-pricing period as at 31 December 2015 and 2014 as follows;

	Consolidated						
	2015						
	0-3 months Thousand Baht	Over 3-12 months Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	8,155,093	-	-	-	-	1,646,068	9,801,161
Derivatives assets	12,840	66,148	462,272	-	-	1,215,705	1,756,965
Investments in securities, net	2,213,002	875,700	8,072,383	1,004,840	-	8,124,515	20,290,440
Investments in receivables, net	-	360,750	541,126	-	1,996,818	-	2,898,694
Loans	56,240,788	26,955,526	79,101,649	4,225,166	10,400,536	1,041,922	177,965,587
Receivables from clearing house	-	-	-	-	-	1,030,855	1,030,855
Securities and derivative business receivables	-	-	-	-	-	14,463,306	14,463,306
Financial liabilities							
Deposits	61,640,313	24,922,101	16,696,182	593,594	-	474,709	104,326,899
Interbank and money market items, net	7,647,450	992,121	413,230	114,200	-	42,440	9,209,441
Liabilities payables on demand	-	-	-	-	-	388,583	388,583
Derivatives liabilities	13,040	65,557	310,539	-	-	2,194,817	2,583,953
Debt issued and borrowings	18,779,000	28,070,916	11,235,000	3,000,000	-	-	61,084,916
Payable to clearing house	-	-	-	-	-	1,097,742	1,097,742
Securities and derivative business payables	-	-	-	-	-	9,816,958	9,816,958

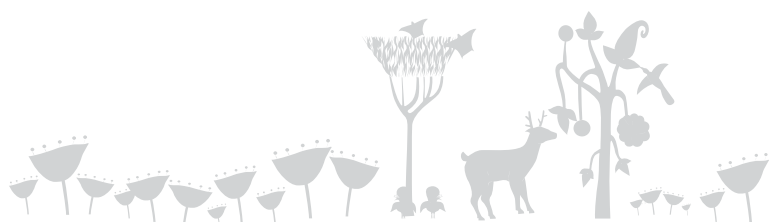


	Consolidated						
	2014						
	0-3 months Thousand Baht	Over 3-12 months Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	4,442,791	-	-	-	-	2,564,393	7,007,184
Derivatives assets	-	-	1,677	221,009	-	889,903	1,112,589
Investments in securities, net	10,781,660	1,105,301	8,524,753	1,368,374	-	7,508,563	29,288,651
Investments in receivables, net	-	415,221	706,507	-	2,181,028	-	3,302,756
Loans	53,996,365	28,387,238	87,501,081	3,229,939	10,352,385	1,170,410	184,637,418
Receivables from clearing house	-	-	-	-	-	2,568,087	2,568,087
Securities and derivative business receivables	-	-	-	-	-	7,323,457	7,323,457
Financial liabilities							
Deposits	81,412,349	34,917,744	9,306,689	6,518,347	-	142,037	132,297,166
Interbank and money market items, net	8,839,226	291,034	625,506	-	-	39,303	9,795,069
Liabilities payables on demand	-	-	-	-	-	315,538	315,538
Derivatives liabilities	-	28,547	293,891	-	-	1,134,283	1,456,721
Debt issued and borrowings	9,108,001	16,186,455	17,477,078	-	-	-	42,771,534
Payable to clearing house	-	-	-	-	-	1,070,437	1,070,437
Securities and derivative business payables	-	-	-	-	-	7,175,549	7,175,549



	The Bank's						
	2015						
	0-3 months Thousand Baht	Over 3-12 months Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	7,620,000	-	-	-	-	1,044,226	8,664,226
Derivatives assets	12,840	66,148	462,272	-	-	1,161,750	1,703,010
Investments in securities, net	2,213,002	875,700	8,041,608	1,004,840	-	2,878,681	15,013,831
Investments in receivables, net	-	360,750	541,126	-	-	-	901,876
Loans	55,955,973	29,430,276	79,101,649	4,225,166	10,400,536	1,041,922	180,155,522
Financial liabilities							
Deposits	62,094,283	24,922,101	16,696,182	593,594	-	474,710	104,780,870
Interbank and money market items, net	8,462,792	85,360	413,230	114,200	-	42,440	9,118,022
Liabilities payable on demand	-	-	-	-	-	390,693	390,693
Derivatives liabilities	13,040	65,557	310,539	-	-	1,947,333	2,336,469
Debt issued and borrowings	18,779,000	26,411,078	11,235,000	3,000,000	-	-	59,425,078

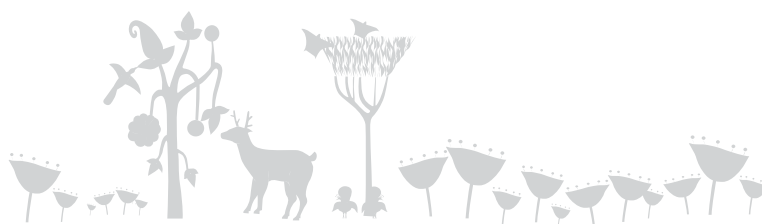
	The Bank's						
	2014						
	0-3 months Thousand Baht	Over 3-12 months Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	1,892,301	-	-	-	-	1,839,199	3,731,500
Derivatives assets	-	-	1,677	221,009	-	778,290	1,000,976
Investments in securities, net	9,793,894	1,105,301	8,493,938	1,368,374	-	1,318,460	22,079,967
Investments in receivables, net	-	387,497	581,246	-	-	-	968,743
Loans	53,624,447	29,737,238	87,501,081	3,229,939	10,345,209	1,170,410	185,608,324
Financial liabilities							
Deposits	81,537,622	34,917,744	9,306,689	6,518,347	-	142,037	132,422,439
Interbank and money market items, net	9,155,072	291,034	625,506	-	-	39,303	10,110,915
Liabilities payables on demand	-	-	-	-	-	315,538	315,538
Derivatives liabilities	-	28,547	293,891	-	-	779,928	1,102,366
Debt issued and borrowings	9,108,000	13,777,000	17,477,078	-	-	-	40,362,078



The average balances of significant performing financial assets and financial liabilities, including the average interest are summarised as follows;

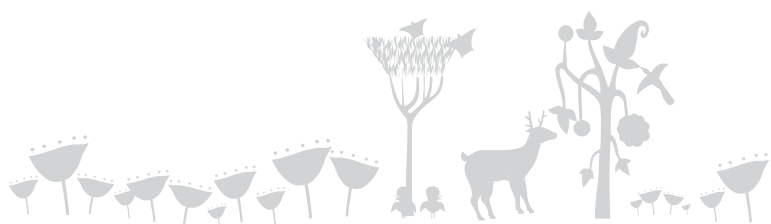
Consolidated			
2015			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	6,738,943	134,756	2.00
Investments in securities	27,088,338	578,694	2.14
Investments in receivables	2,681,291	534,379	19.93
Loans	178,659,828	13,528,542	7.57
	215,168,400	14,776,371	6.87
Significant financial liabilities			
Deposits	118,935,099	3,061,618	2.57
Interbank and money market items, net	7,477,426	94,407	1.26
Debt issued and borrowings	49,943,957	1,328,439	2.66
	176,356,482	4,484,464	2.54

Consolidated			
2014			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	12,208,430	262,847	2.15
Investments in securities	27,344,359	616,856	2.26
Investments in receivables	3,157,434	606,138	19.20
Loans	191,068,065	14,443,492	7.56
	233,778,288	15,929,333	6.81
Significant financial liabilities			
Deposits	146,621,160	4,514,515	3.08
Interbank and money market items, net	6,979,818	96,464	1.38
Debt issued and borrowings	44,665,845	1,460,654	3.27
	198,266,823	6,071,633	3.06



The Bank's			
2015			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	4,150,574	67,582	1.63
Investments in securities	18,843,515	487,213	2.59
Investments in receivables	1,344,004	95,384	7.10
Loans	180,027,370	13,610,663	7.56
	204,365,463	14,260,842	6.98
Significant financial liabilities			
Deposits	119,099,812	3,062,009	2.57
Interbank and money market items, net	7,438,714	122,744	1.65
Debt issued and borrowings	48,015,995	1,285,017	2.68
	174,554,521	4,469,770	2.56

The Bank's			
2014			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	8,848,481	169,534	1.92
Investments in securities	18,603,066	532,511	2.86
Investments in receivables	1,490,770	213,862	14.35
Loans	192,577,751	14,542,014	7.55
	221,520,068	15,457,921	6.98
Significant financial liabilities			
Deposits	146,709,219	4,514,921	3.08
Interbank and money market items, net	7,071,779	128,677	1.82
Debt issued and borrowings	41,412,694	1,395,077	3.37
	195,193,692	6,038,675	3.09



5.2.2 Foreign exchange rate risk

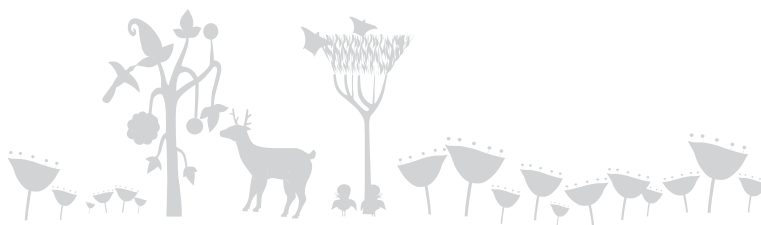
Foreign exchange rate risk refers to the loss affecting income and/or equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities.

The Bank sets and controls the risk of trading intent transactions that exposed to foreign exchange rate risk to be within an acceptable level. The transactions include foreign currency bonds, FX spot, FX derivatives, and cross currency swap. For other assets and liabilities, the Bank regularly hedges against the foreign exchange rate risk by using forward and swap contracts. Therefore, the Bank's overall foreign exchange rate risk is relatively low.

The subsidiaries have strategies, which invest abroad and do not intent to expose to foreign exchange rate risk. As such, the subsidiaries also use forward and swap contracts to hedge the risk. However, the foreign exchange rate risk may remain for some investment strategies, since the amount of these investment strategies is considered as very small or the investments are exposed to foreign exchange rate risk in low liquidity currencies, and unable to hedge. Although, the remaining foreign exchange rate risk is considered as minimal, and not significant to the Bank and subsidiaries.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2015 and 2014 are summarised as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Financial assets				
US Dollar	990,297	1,209,613	99,147	632,044
Singapore Dollar	71	8,493	71	75
Euro	20	1,410	20	170
Yen	555	83	555	83
Pound	31	30	31	30
Kip	-	154,548	-	-
Yuan	603	340	603	340
Vietnamese Dong	331,102	-	-	-
Others	10,231	104	394	104
Financial liabilities				
US Dollar	526,127	471,106	-	-
Hong Kong Dollar	858	503	-	-
Others	162	103	-	-



5.2.3 Equity price risk

Equity price risk refers to the loss affecting income and/or 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 investments. For trading book, the bank can invest in equity securities and/or equity derivative. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and regularly reports the equity price risk.

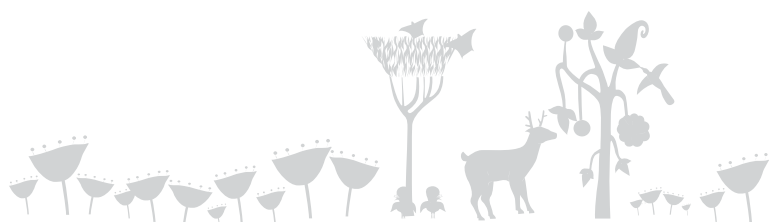
At 31 December 2015, the majority of Bank's equity position is in the subsidiaries, and unit trusts, which manage the Bank's assets. The remaining portion consists of equities listed in The Stock Exchange of Thailand, and those obtained from debt restructuring.

The equity position in the banking book of the capital market business is managed by the direct investment department of Phatra Capital PCL., which focuses on a long-term investment based on the business intrinsic value by employing value based investment approach. In a search for investment opportunities, the direct investment department performs in-depth analysis, and covers essential aspects related to sustainable growth of the business opportunity, such as, attractiveness, industry's trend, business model, sustainable competitiveness, talent and transparency of executives, including the structure that encourages good governance. However, every transaction of the direct investment department must be approved from the Investment Committee (IC) before investing and be controlled and monitored transactions under the framework which approved by the risk management department.

5.3 Liquidity risk

Liquidity risk is the risk of the Bank not being able to fulfill its obligation of repayment as it is unable to promptly convert its assets into cash, unable to raise sufficient funds in time or able to at a high cost which may affect the Bank's income and capital.

The Bank has established the Money Desk Sub-Committee to analysed and track cash inflows and outflows as well as closely monitor the Bank's liquidity to comply with the Bank's risk limits. The committee will regularly convene at least once every two weeks under the supervision of the Asset and Liability Management Committee (ALCO). The treasury department plays a key role in the implementation of the Bank's liquidity management to maintain an appropriate level of liquidity. Additionally, the risk management department monitors and controls the position of liquidity risk and regularly reports to the Risk Management Committee (RMC) and the Board of Directors.

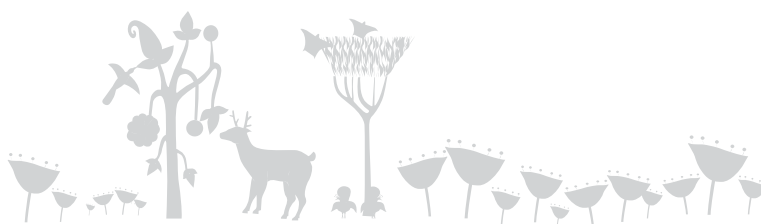


The Bank also sets liquidity risk management policy and procedure in accordance with the Bank's strategy and the BOT's financial institution liquidity management framework. The main policies are as follows;

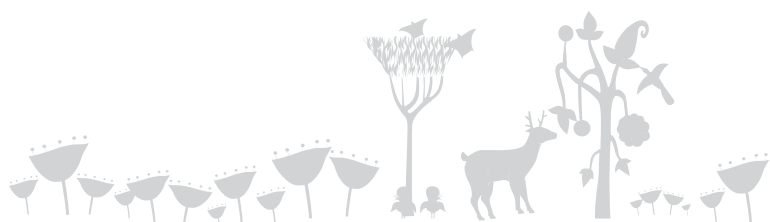
- Maintenance of liquid assets under Liquidity Coverage Ratio (LCR) regulated by BOT and at an appropriate level
- Control of liabilities and assets maturity mismatch at an acceptable level
- Diversification of liability types
- Expansion of deposit base while considering customer concentration in each type of deposit and maturity
- Provision of contingent liquidity reserves

Significant assets and liabilities of the Bank analysed by relevant maturity groupings are as follows;

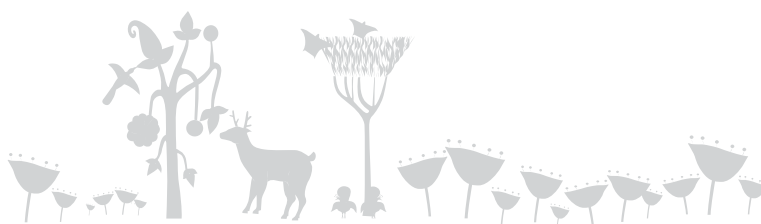
Consolidated						
2015						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,032,052	1,032,052
Interbank and money market items, net	3,873,659	5,921,737	-	-	5,765	9,801,161
Derivatives assets	-	1,294,693	462,272	-	-	1,756,965
Investments in securities, net	-	7,101,637	7,170,507	1,004,840	5,013,456	20,290,440
Investments in receivables, net	-	-	2,898,694	-	-	2,898,694
Hire-purchase receivables	36,141	3,596,439	93,210,827	24,068,000	-	120,911,407
Finance lease receivables	-	90,585	843,228	-	-	933,813
Loans and receivables	972,741	6,130,467	30,083,772	18,655,670	277,717	56,120,367
Accounts receivable from clearing house	-	1,030,855	-	-	-	1,030,855
Securities and derivative business receivables	-	14,463,306	-	-	-	14,463,306
Total financial assets	4,882,541	39,629,719	134,669,300	43,728,510	6,328,990	229,239,060
Financial liabilities						
Deposits	52,874,413	34,162,710	16,696,182	593,594	-	104,326,899
Interbank and money market items, net	406,250	8,137,091	202,740	463,360	-	9,209,441
Liabilities payable on demand	388,583	-	-	-	-	388,583
Derivatives liabilities	-	1,855,518	728,435	-	-	2,583,953
Debt issued and borrowings	-	39,274,916	15,810,000	6,000,000	-	61,084,916
Accounts payable to clearing house	-	1,097,742	-	-	-	1,097,742
Securities and derivative business payables	-	9,816,958	-	-	-	9,816,958
Total financial liabilities	53,669,246	94,344,935	33,437,357	7,056,954	-	188,508,492



Consolidated						
2014						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,301,090	1,301,090
Interbank and money market items, net	3,782,538	3,049,748	-	-	174,898	7,007,184
Derivatives assets	-	891,580	221,009	-	-	1,112,589
Investments in securities, net	-	16,677,609	8,533,030	1,368,374	2,709,638	29,288,651
Investments in receivables, net	526	30,986	3,271,244	-	-	3,302,756
Hire-purchase receivables	26,205	3,040,279	104,134,943	22,390,169	-	129,591,596
Leasing receivables	9,376	55,244	773,932	-	-	838,552
Loans and receivables	1,134,565	5,141,623	27,901,039	19,520,104	509,939	54,207,270
Accounts receivable from clearing house	-	2,568,087	-	-	-	2,568,087
Securities and derivative business receivables	-	7,323,457	-	-	-	7,323,457
Total financial assets	4,953,210	38,778,613	144,835,197	43,278,647	4,695,565	236,541,232
Financial liabilities						
Deposits	63,093,087	53,379,042	9,306,690	6,518,347	-	132,297,166
Interbank and money market items, net	123,211	9,091,288	222,730	357,840	-	9,795,069
Liabilities payable on demand	315,538	-	-	-	-	315,538
Derivatives liabilities	-	1,025,251	431,470	-	-	1,456,721
Debt issued and borrowings	-	22,840,456	16,931,078	3,000,000	-	42,771,534
Accounts payable to clearing house	-	1,070,437	-	-	-	1,070,437
Securities and derivative business payables	-	7,175,549	-	-	-	7,175,549
Total financial liabilities	63,531,836	94,582,023	26,891,968	9,876,187	-	194,882,014



The Bank's						
2015						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,030,634	1,030,634
Interbank and money market items, net	2,742,488	5,921,738	-	-	-	8,664,226
Derivatives assets	-	1,240,738	462,272	-	-	1,703,010
Investments in securities, net	-	3,088,702	7,139,732	1,004,840	3,780,557	15,013,831
Investments in receivables, net	-	-	901,876	-	-	901,876
Hire-purchase receivables	36,141	3,596,439	93,210,827	24,068,000	-	120,911,407
Finance lease receivables	-	90,585	843,228	-	-	933,813
Loans and receivables	965,643	8,605,217	30,083,772	18,655,670	-	58,310,302
Total financial assets	3,744,272	22,543,419	132,641,707	43,728,510	4,811,191	207,469,099
Financial liabilities						
Deposits	53,328,384	34,162,710	16,696,182	593,594	-	104,780,870
Interbank and money market items, net	171,592	8,280,330	202,740	463,360	-	9,118,022
Liabilities payable on demand	390,693	-	-	-	-	390,693
Derivatives liabilities	-	1,746,744	589,725	-	-	2,336,469
Debt issued and borrowings	-	37,615,078	15,810,000	6,000,000	-	59,425,078
Total financial liabilities	53,890,669	81,804,862	33,298,647	7,056,954	-	176,051,132



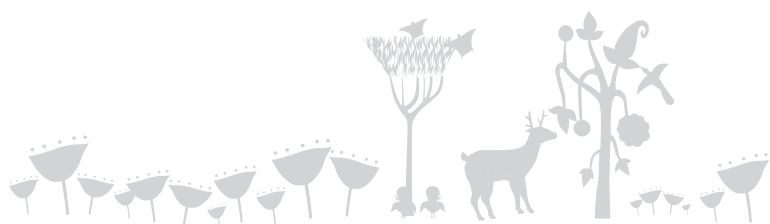
The Bank's						
2014						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1-5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,299,783	1,299,783
Interbank and money market items, net	2,235,949	1,495,551	-	-	-	3,731,500
Derivatives assets	-	779,967	221,009	-	-	1,000,976
Investments in securities, net	-	10,899,195	8,493,938	1,368,374	1,318,460	22,079,967
Investments in receivables, net	-	-	968,743	-	-	968,743
Hire-purchase receivables	26,205	3,040,279	104,134,943	22,390,169	-	129,591,596
Leasing receivables	9,376	55,244	773,932	-	-	838,552
Loans and receivables	1,265,410	6,491,623	27,901,039	19,520,104	-	55,178,176
Total financial assets	3,536,940	22,761,859	142,493,604	43,278,647	2,618,243	214,689,293
Financial liabilities						
Deposits	63,218,360	53,379,042	9,306,690	6,518,347	-	132,422,439
Interbank and money market items, net	123,733	9,406,612	222,730	357,840	-	10,110,915
Liabilities payable on demand	315,538	-	-	-	-	315,538
Derivatives liabilities	-	753,988	348,378	-	-	1,102,366
Debt issued and borrowings	-	20,431,000	16,931,078	3,000,000	-	40,362,078
Total financial liabilities	63,657,631	83,970,642	26,808,876	9,876,187	-	184,313,336

5.4 Fair value

The methodology of fair value measurement is depended on the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique and complied with related authorities' regulations.

The Group holds derivatives for trading intent, and servicing customers, including for a purpose of managing the Bank and subsidiaries' assets and liabilities. This includes interest rate swaps, cross currency swaps, FX derivatives, and equity derivatives.

Additionally, the Group does not only control the market risk of the derivatives to be within an acceptable level, but also the counterparty credit risks by setting-up, and controlling transaction limits based on the normal lending procedures.



6. Estimates and Assumptions

Preparation of financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of revenue, expenses, assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows;

6.1 Allowance for doubtful accounts

6.1.1 Loans

The Bank classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the BOT's Notification and with the management's estimation over the allowance for doubtful accounts from the outstanding balance of loans at the period end date. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan. The collateral value used in calculating the required allowance for doubtful accounts is based on the type of collateral. Revaluation is performed every 3 years in accordance to the BOT's guideline. The Bank provided the allowance for doubtful accounts on substandard, doubtful and doubtful loss at the rate of 100% of the difference between the carrying amount and net present value of estimated future cash flows to be received from debtors or from sales of collateral. Discount rate and holding periods used is in compliance with the Bank of Thailand's guideline. For the normal and special mentioned debts, the Bank provided the allowance for doubtful accounts at the rates of 1% and 2%, respectively.

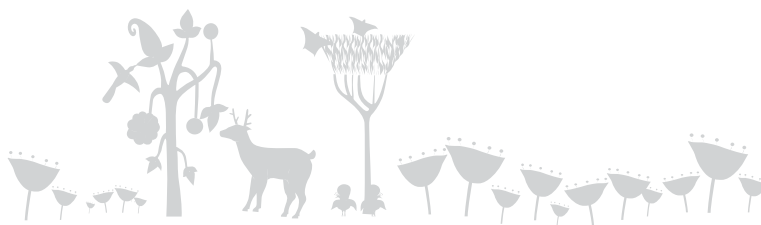
6.1.2 Fleet car hire-purchase receivables

The Bank sets allowance for doubtful account of fleet car hire-purchase receivables by considering the loan classification, the value of collaterals and loss rate according to the BOT's guidelines.

6.1.3 Hire-purchase receivables

The Bank provides allowance for doubtful accounts on hire-purchase loans by using the collective approach method which considers historical loss suffered and is calculated using the probability of default and the percentage of loss given default. Inclusively the Bank adjusted historical loss suffered data for key domestic and international economic factors which may influence repayment abilities of the receivables. Allowance for doubtful hire-purchase receivables made under the collective approach is in line with the BOT's guideline regarding the Classification and Provision Criteria of Financial Institution.

The Bank sets additional allowance for doubtful accounts from the collective approach to certain classes of receivables in order to be conservative. Formerly, the Bank provides allowance for doubtful accounts for hire-purchase receivables based on the collective approach and additional allowance on hire-purchase receivables was made by considering the difference between outstanding loan value and present value of expected cash flows from receivables or present value of expected cash flows from disposal of the collateralised assets per the BOT's notification.



6.1.4 Securities business receivables

The Bank's subsidiaries operating as a securities company has provided for an allowance for doubtful accounts on securities and derivatives business receivables based on management's review and assessment of the status of individual debtor as well as requirements stated in the Office of the Securities and Exchange Commission's Notifications. Such assessment takes into consideration various factors including the risks involved and the value of collateral. Allowance is made for the estimated losses that might be incurred where the debts are not fully secured and/or there exists a possibility that principal and interest cannot be recovered in full. As such, debtors' classifications and provisions are as follows;

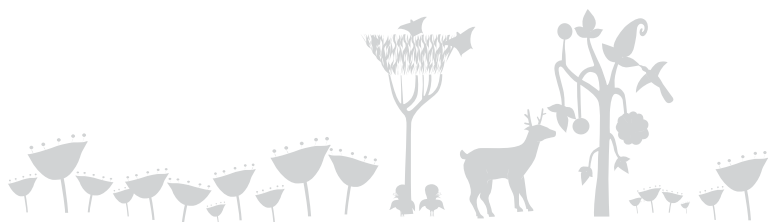
- a) Debts classified as loss are;
 - 1) Loan balances which the subsidiaries has already made every effort to collect, but remains unpaid and which the subsidiaries has already written off in accordance with the tax law.
 - 2) Loan balances which the subsidiaries has forgiven the debt balances.
- b) Doubtful debt is defined as the uncollateralised portion of outstanding debt balance which meets the following criteria;
 - 1) General loans, troubled financial institution loans, and other loans for which the collateral value is less than outstanding loan balances.
 - 2) Installment loans with repayment frequency of less than 3 months and for which principal or interest is overdue for more than 3 months.
 - 3) Installment loans with repayments scheduled no less frequently than every 3 months unless there is clear evidence and a high degree of certainty that full repayment will be received.
- c) Substandard debt is defined as the collateralised portion of loans which meet the criteria in b).
Loans classified as bad debt will be written off when identified. Provision will be set aside for loans classified as doubtful at not less than 100% of the doubtful debt balance.

6.1.5 Impairment of long-term deposit at financial institution

The subsidiaries will treat long-term deposit at financial institution as impaired when such financial institution is facing going concern problems and has default on payment. The subsidiaries' management uses judgment to estimate the loss reserve for deposit at financial institution, based on considering repayment ability and the financial institution plan to restructure its debts.

6.2 Valuation of investments in receivables

Fair value of investments in receivables is determined by the net present value of estimated future cash flows from selling of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by interest rate at 7% per annum with the expected selling period of 4-5 years but not exceeding the balance in the original contract. The fair values assigned to the investment portfolio are based upon available information and assumptions which do not necessarily represent amounts which might ultimately be realised because of the uncertainty of economic's circumstance which is the significant factor to determine the fair value.



The subsidiaries which are mutual funds that invest in the investments in receivables measured the fair values of the investments in restructured commercial loans based upon net present value of estimated future cash flows (interest rate as identified in restructuring agreements). Fair value of the investments in non-restructured commercial loans is based upon the net present value of estimated future cash flows from sales of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by interest rate at 7% per annum with the expected selling period of 4-5 years but not exceeding the balance in the original contract.

For Bangkok Capital Fund and Gamma Capital Fund, fair value of investments in receivables is calculated based upon the net present value of estimated future cash flows from sales of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by yield rate at 18% per annum with the expected selling period of 2.4-8.4 years but not exceeding the balance in the original contract.

6.3 Valuation of investments in properties

Fair value of investments in properties is calculated from the appraisal value, appraised by an external independent valuer or internal valuer according to the Bank of Thailand guideline, which is discounted according to the holding period. The fair values assigned to the investments portfolio are based upon available information estimates and assumptions which do not necessarily represent amounts which might ultimately be realised because of the uncertainty of economic circumstance which is the significant factor to determine the fair value.

6.4 Valuation of properties foreclosed

Fair value of properties foreclosed-immovable assets is calculated from the appraisal value, appraised by an external independent valuer or internal valuer of the Bank every year, less estimated selling expenses, and the appraisal value is discounted according to the holding period.

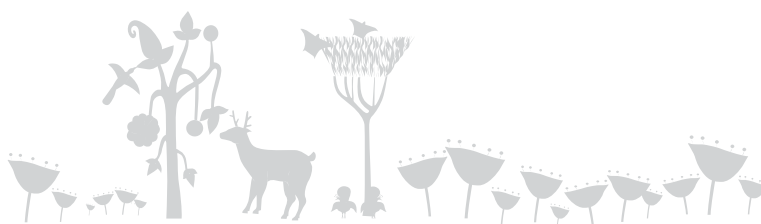
The Bank calculates allowance for impairment of repossessed vehicles in accordance with the BOT's Notification plus additional allowance based on the management's estimation which consider from the historical loss experienced from sale of the repossessed vehicles.

6.5 Goodwill

Goodwill is tested for impairment using a fair value method of present value of dividend discount model on an annual basis.

6.6 Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments the management has made judgement by using a variant of acceptable valuation techniques. The input parameter to the models used is taken from observable market, and includes consideration of maturity, interest rate, correlation and volatility, etc. The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions.

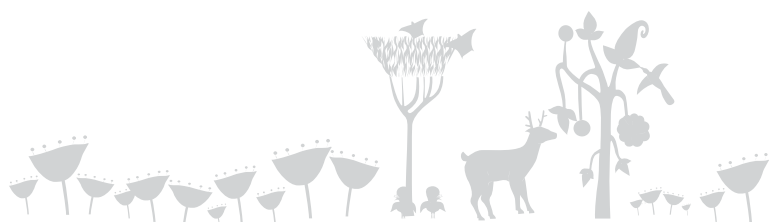


6.7 Provision for post-retirement benefits and pension fund

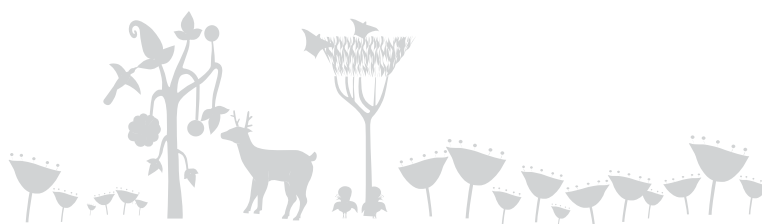
The Group has a commitment and provision of post-retirement benefits and pension funds for employee. The present value of employee benefit liabilities recognised in the statement of financial position is determined in the present value of estimated future cash outflows for staff. The assumption used in determining the net annual cost for employee benefits includes the salary and years of services of respective employees which are payable in the future and discount rate. Any charges in these assumptions will impact the net annual cost recorded for employee benefit.

7. Interbank and Money Market Items, Net (assets)

	Consolidated					
	2015			2014		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
The Bank of Thailand and FIDF	857,596	450,000	1,307,596	1,492,445	-	1,492,445
Commercial Banks	2,607,266	5,475,764	8,083,030	2,228,924	2,870,332	5,099,256
Special purpose financial institutions	588	-	588	728	-	728
Other financial institutions	300,000	-	300,000	400,000	-	400,000
Total	3,765,450	5,925,764	9,691,214	4,122,097	2,870,332	6,992,429
<u>Add</u> Accrued interest receivables	-	1,738	1,738	-	551	551
<u>Less</u> Allowance for doubtful accounts	(8,000)	-	(8,000)	(9,000)	-	(9,000)
Total Domestic items	3,757,450	5,927,502	9,684,952	4,113,097	2,870,883	6,983,980
Foreign						
US Dollar	114,534	-	114,534	22,402	-	22,402
Euro	20	-	20	170	-	170
Yuan	604	-	604	339	-	339
Other currencies	1,051	-	1,051	293	-	293
Total foreign items	116,209	-	116,209	23,204	-	23,204
Total	3,873,659	5,927,502	9,801,161	4,136,301	2,870,883	7,007,184



	The Bank's					
	2015			2014		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
The Bank of Thailand and FIDF	847,088	450,000	1,297,088	1,478,757	-	1,478,757
Commercial Banks	115,990	5,470,000	5,585,990	359,264	1,500,000	1,859,264
Special purpose financial institutions	588	-	588	728	-	728
Other financial institutions	1,700,000	-	1,700,000	400,000	-	400,000
Total	2,663,666	5,920,000	8,583,666	2,238,749	1,500,000	3,738,749
<u>Add</u> Accrued interest receivables	-	1,738	1,738	-	551	551
<u>Less</u> Allowance for doubtful accounts	(22,000)	-	(22,000)	(9,000)	-	(9,000)
Total Domestic items	2,641,666	5,921,738	8,563,404	2,229,749	1,500,551	3,730,300
Foreign						
US Dollar	99,147	-	99,147	398	-	398
Euro	20	-	20	170	-	170
Yuan	604	-	604	339	-	339
Other currencies	1,051	-	1,051	293	-	293
Total foreign items	100,822	-	100,822	1,200	-	1,200
Total	2,742,488	5,921,738	8,664,226	2,230,949	1,500,551	3,731,500



8. Derivatives

8.1 Derivatives

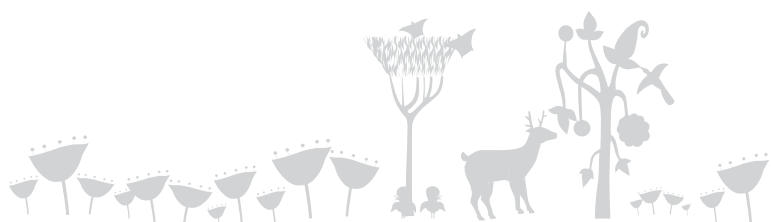
Derivatives for trading as at 31 December 2015 and 2014 are as follows;

Type Risk	Consolidated					
	2015			2014		
	Fair value		Notional amount Thousand Baht	Fair value		Notional amount Thousand Baht
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Exchange rate	1,134,388	1,924,030	130,113,498	778,290	779,924	141,749,468
Interest rate	260,721	305,103	67,760,000	208,289	289,482	46,750,000
Equity price	360,652	270,306	4,595,610	111,613	354,355	3,674,119
Total	1,755,761	2,499,439	202,469,108	1,098,192	1,423,761	192,173,587

Type Risk	The Bank's					
	2015			2014		
	Fair value		Notional amount Thousand Baht	Fair value		Notional amount Thousand Baht
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Exchange rate	1,161,528	1,924,130	130,113,498	778,290	779,924	141,749,468
Interest rate	260,721	305,103	67,760,000	208,289	289,482	46,750,000
Equity price	279,557	22,722	1,721,187	-	-	-
Total	1,701,806	2,251,955	199,594,685	986,579	1,069,406	188,499,468

As at 31 December 2015 and 2014, the proportion, determined based on the notional amount, of derivatives for trading transactions divided by type of counterparty are as follows;

	Consolidated	
	2015 %	2014 %
Financial institutions	97.72	98.15
Third parties	2.28	1.85
Total	100.00	100.00



The Bank's			
2015 %		2014 %	
Financial institutions	98.95	99.93	
Third parties	0.86	-	
Subsidiaries	0.19	0.07	
Total	100.00	100.00	

8.2 Derivatives for hedging

Derivatives for hedging as at 31 December 2015 and 2014 are as follows;

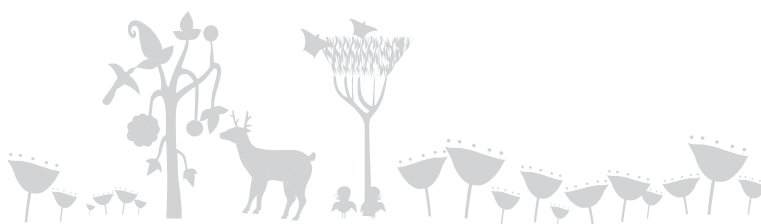
Consolidated and The Bank's						
2015				2014		
Type Risk	Fair value		Notional amount Thousand Baht	Fair value		Notional amount Thousand Baht
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Exchange rate	1,204	84,514	1,672,141	14,397	32,960	1,431,357
Total	1,204	84,514	1,672,141	14,397	32,960	1,431,357

9. Investments in Securities, Net

9.1 Classification of investments in securities

As at 31 December 2015 and 2014, the Group classifies their investments in securities as follows;

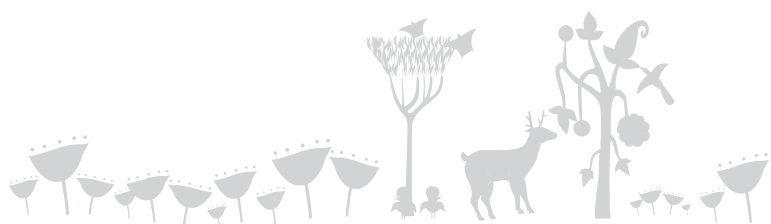
	Consolidated		The Bank's	
	Fair value		Fair value	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Trading securities				
Government and state enterprise securities	359,666	3,159,793	359,666	3,159,793
Private sector's debt securities	418,206	2,591,055	418,206	2,591,055
Domestic marketable equity securities	5,532,917	4,790,649	1,522,294	-
Foreign marketable equity securities	2,313	-	-	-
Total trading securities	6,313,102	10,541,497	2,300,166	5,750,848



	Consolidated		The Bank's	
	Fair value		Fair value	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Available-for-sale securities				
Government and state enterprise securities	10,383,212	14,361,609	10,352,438	13,343,029
Private sector's debt securities	-	30,321	-	30,321
Foreign debt securities	-	631,645	-	631,645
Domestic marketable equity securities	2,273,626	2,506,777	1,342,236	1,305,715
Foreign marketable equity securities	283,025	178,831	-	-
Total available-for-sale securities	12,939,863	17,709,183	11,694,674	15,310,710

	Consolidated		The Bank's	
	Amortised cost		Amortised cost	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Held-to-maturity debt securities				
Government and state enterprise securities	1,004,840	1,005,664	1,004,840	1,005,664
Total held-to-maturity debt securities	1,004,840	1,005,664	1,004,840	1,005,664

	Consolidated		The Bank's	
	Cost		Cost	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
General investments				
Domestic non-marketable equity securities	59,921	60,592	16,249	15,170
<u>Less</u> Allowance for impairment	(27,286)	(28,285)	(2,098)	(2,425)
Total general investments	32,635	32,307	14,151	12,745
Total investments in securities, net	20,290,440	29,288,651	15,013,831	22,079,967



9.2 Investments in securities with holdings of 10% upwards

As at 31 December 2015 and 2014, investments in securities in which the Bank hold 10% upwards of the paid-up capital in each entity, classified by industry are as follows;

Other companies

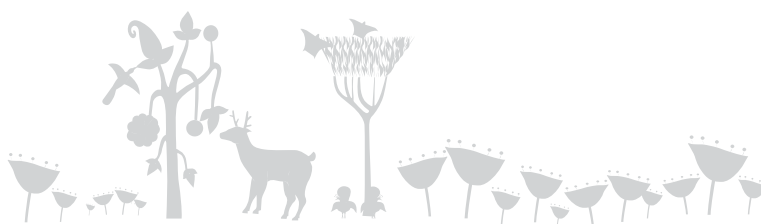
BTMU Leasing (Thailand) Co., Ltd.

Consolidated and The Bank's		
Business type	2015	
	Investment amount at cost Baht	Holding %
Leasing	3,085,200	10.00

Other companies

BTMU Leasing (Thailand) Co., Ltd.

Consolidated and The Bank's		
Business type	2014	
	Investment amount at cost Baht	Holding %
Leasing	3,085,200	10.00



10. Investments in Subsidiaries, Net

As at 31 December 2015 and 2014, the Bank has investments in subsidiaries as follows;

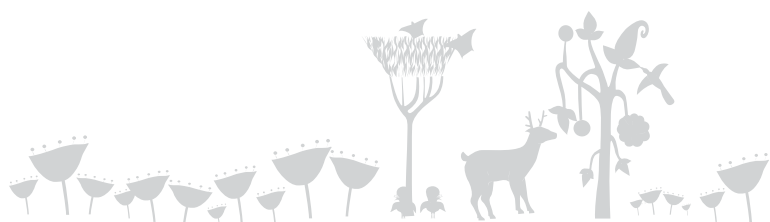
		The Bank's					
	Business type	Securities investment type	2015				
			Cost method			Holding %	Dividend received and profit sharing Thousand Baht
			Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht		
Phatra Capital PCL.	Holding Company	Ordinary shareholder	7,170,617	-	7,170,617	99.98	504,623
Erawan Law Office Co., Ltd.	Law office	Ordinary shareholder	999	-	999	99.93	
Asia Recovery 1 Fund	Investments*	Unit trust	223,687	-	223,687	99.95	81,263
Asia Recovery 2 Fund	Investments*	Unit trust	810,062	(120,216)	689,846	99.59	-
Asia Recovery 3 Fund	Investments*	Unit trust	630,305	-	630,305	99.97	95,553
Thai Restructuring Fund	Investments*	Unit trust	675,591	-	675,591	98.91	49,950
Asia Recovery Property Fund 1****	Investments**	Unit trust	-	-	-	-	30,506
Asia Recovery Property Fund 3	Investments***	Unit trust	16,724	(12,664)	4,060	98.77	113,931
Bangkok Capital Fund	Investments*	Unit trust	1,801,113	(579,273)	1,221,840	95.72	1,426,555
Gamma Capital Fund	Investments*	Unit trust	1,219,914	(84,088)	1,135,826	94.03	546,202
CMIC Development Co., Ltd.	Real estate	Ordinary shareholder	-	-	-	80.58	-
			12,549,012	(796,241)	11,752,771		2,848,583

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

** Investments in receivables, which have properties as collateral, or properties

*** Investments in receivables or properties

**** Liquidation of the capital



The Bank's							
Business type	Securities investment type	2014					
		Cost method			Holding %	Dividend received and profit sharing Thousand Baht	
		Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht			
Phatra Capital PCL.	Holding Company	Ordinary shareholder	7,170,459	-	7,170,459	99.98	515,128
Erawan Law Office Co., Ltd.	Law office	Ordinary shareholder	999	-	999	99.93	34,976
Asia Recovery 1 Fund	Investments*	Unit trust	223,687	-	223,687	99.95	84,956
Asia Recovery 2 Fund	Investments*	Unit trust	824,462	(213,849)	610,613	99.59	298,754
Asia Recovery 3 Fund	Investments*	Unit trust	819,087	(14,892)	804,195	99.97	209,940
Thai Restructuring Fund	Investments*	Unit trust	675,591	-	675,591	98.91	103,859
Asia Recovery Property Fund 1	Investments**	Unit trust	54,832	-	54,832	99.52	-
Asia Recovery Property Fund 3	Investments***	Unit trust	941,000	-	941,000	98.77	59,263
Bangkok Capital Fund	Investments*	Unit trust	1,801,113	(111,131)	1,689,982	95.72	574,306
Gamma Capital Fund	Investments*	Unit trust	1,219,914	(204,673)	1,015,241	94.03	648,795
CMIC Development Co., Ltd.	Real estate	Ordinary shareholder	-	-	-	80.58	-
			13,731,144	(544,545)	13,186,599		2,529,977

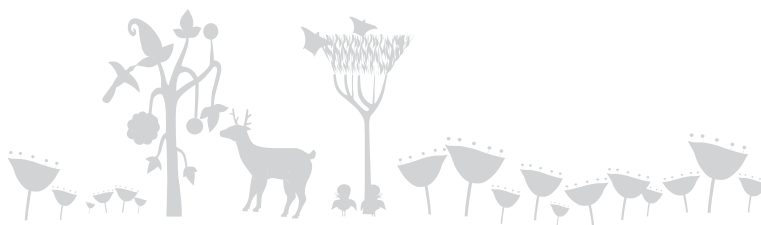
* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

** Investments in receivables, which have properties as collateral, or properties

*** Investments in receivables or properties

10.1 Reduction of the capital of the mutual funds

According to the Notification of the Capital Market Supervisory Board No. Thor Nor. 22/2552: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems which was amended by the Notification of the Capital Market Supervisory Board No. Thor Nor. 10/2553, it specified that in case management company of the funds ("the asset management company") has already acquired, by way of debt repayment, property from foreclosure of the mortgage, or public auction in the category which a mutual fund cannot invest or possess prior to 1 March 2006, the asset management company shall dispose of such property when the first opportunity arises by taking into account the best interest of unitholders, but in any case no later than 31 December 2010 and that of the capital reduction of the mutual fund by pay-in-kind whether in whole or in part to be approved by the unanimous resolution of unitholders, the asset management company must reduce the number of units and transfer the non-cash assets and cash (if any) to the unitholders.



As the asset management company could not dispose after obtaining such assets within 31 December 2010, the asset management company proceeded with the capital reduction of the mutual fund, which obtained the unanimous resolutions from unitholders, by pay-in-kind assets to the Bank and pay in cash to other unitholders.

For the year ended 31 December 2015, from the capital reduction of Asia Recovery Property Fund 3, the Bank has received the pay-in-kind properties foreclosed in the amount of Baht 127.66 million and deferred gain from capital reduction in the amount of Baht 12.98 million, which will be recognised when the properties foreclosed are sold.

For the year ended 31 December 2014, from the capital reduction of 5 mutual funds which consist of Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund, the Bank has received the pay-in-kind properties foreclosed in the amount of Baht 229.42 million, which results in loss from capital reduction in the amount of Baht 17.83 million and deferred gain from capital reduction in the amount of Baht 6.79 million, which will be recognised when the properties foreclosed are sold.

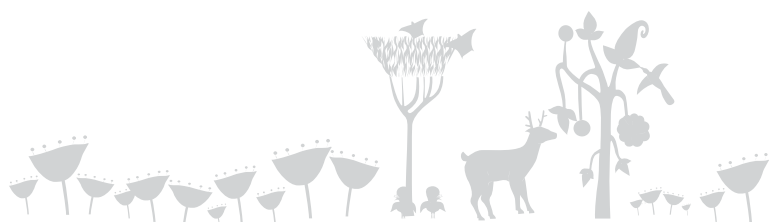
As at 31 December 2015, the Bank has transferred the rights and ownership of the property foreclosed from the mutual funds.

10.2 The liquidation of the capital of the mutual funds

According to the Notifications of the Capital Market Supervisory Board No. Thor Nor. 21/2552 Thor Nor. 22/2552, and Thor Nor. 23/2552: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems, it specified that the maturity date of the scheme to be no later than 31 August 2015. Therefore, Asia Recovery Property Fund 1, Asia Recovery Property Fund 3, Asia Recovery Fund 1, Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund.

The Asia Recovery Property Fund 1 was liquidated on 26 November 2015. Those funds are required to be liquidated in accordance with these notifications and are in the process of liquidation.

During the year of 2015, the Bank has received capital distribution for liquidation in form of cash in the amount of Baht 862.74 million from the Asia Recovery Property Fund 1 and Asia Recovery Property Fund 3. In addition, the Bank has received capital distribution for liquidation in form of the pay-in-kind assets in the amount of Baht 203.18 million from the Asia Recovery Fund 2 and the Asia Recovery Fund 3. The right and ownership of those properties foreclosed in amount of 13.09 is in process of transfer to the Bank.

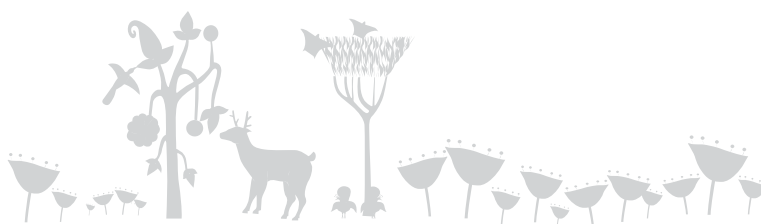


11. Investments in Receivables, Net

As at 31 December 2015 and 2014, the details of investments in receivables auctioned from the Financial Restructuring Authority ("FRA"), the Legal Execution Department ("LED") and other companies are as follows;

Purchase Date	Consolidated and The Bank's			
	2015			
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	304	2,146,575	186,725	79,470
15 December 1999	148	418,288	5,520	6,253
Receivables purchased				
January 2009 - December 2015	3	110,687	64,221	35,943
Receivables auctioned from LED	1,213	11,937,927	1,041,515	780,210
	1,668	14,613,477	1,297,981	901,876
<u>Subsidiaries (Fund)</u>	2,798	51,333,459	1,234,631	1,996,818
Total	4,466	65,946,936	2,532,612	2,898,694

Purchase Date	Consolidated and The Bank's			
	2014			
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	310	2,196,660	211,059	107,294
15 December 1999	157	426,668	6,824	4,779
Receivables purchased				
January 2009 - December 2014	3	110,687	64,233	35,526
Receivables auctioned from LED	1,278	12,249,140	1,164,748	821,144
	1,748	14,983,155	1,446,864	968,743
<u>Subsidiaries (Fund)</u>	2,934	52,042,908	1,491,070	2,334,013
Total	4,682	67,026,063	2,937,934	3,302,756



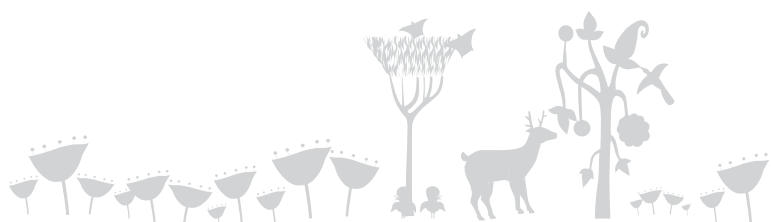
12. Investment Property, Net

	Consolidated	
	2015 Thousand Baht	2014 Thousand Baht
Cost	1,260,352	861,795
<u>Less</u> Accumulated depreciation	(416,876)	(401,991)
<u>Less</u> Provision for impairment	-	(36,336)
Net book amount	843,476	423,468
Opening net book amount	423,468	449,171
Additions	472,073	5,675
Depreciation	(14,885)	(11,258)
Transferred in (out)	(73,516)	(43,434)
Impairment (charge) reversal	36,336	23,314
Closing net book amount	843,476	423,468
Fair value	1,441,460	813,660

The Group's investment properties were revalued at 31 December 2015 by independent professionally qualified valuers who hold a recognised relevant professional qualification and have recent experience in the locations and categories of the investment properties valued. The fair value of investment properties are based on Income Capitalisation Approach using discounted cash flows from rental income according to the current lease agreement included the future rental income net off with expected cash outflows. The fair values are within level 3 of the fair value hierarchy.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated	
	2015 Thousand Baht	2014 Thousand Baht
Rental income	140,255	135,214
Direct operating expense arise from investment property that generated rental income	57,395	55,578

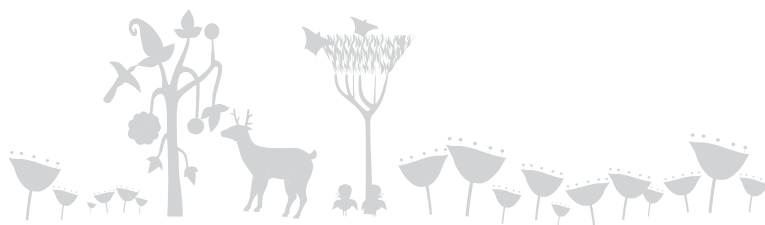


13. Loans to Customers and Accrued Interest Receivables, Net

13.1 Classified by product

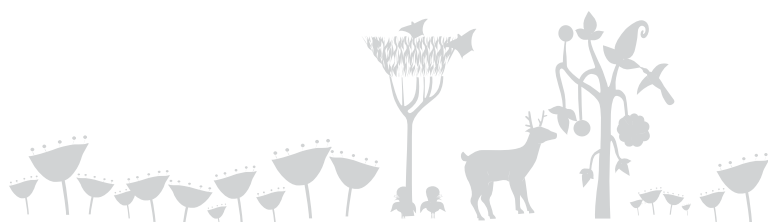
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
<u>Loans</u>				
Overdrafts	1,128,163	1,204,269	1,128,163	1,204,269
Loans	54,595,904	52,324,348	57,070,654	53,814,348
Bills	114,691	136,682	114,691	136,682
Hire-purchase receivables	139,456,472	149,298,839	139,456,472	149,298,839
Finance lease receivables	1,034,177	966,453	1,034,177	966,453
Total loans	196,329,407	203,930,591	198,804,157	205,420,591
<u>Less</u> Deferred revenue	(18,648,635)	(19,812,267)	(18,648,635)	(19,812,267)
Total loans net of deferred revenue	177,680,772	184,118,324	180,155,522	185,608,324
<u>Add</u> Accrued interest receivables	934,947	1,138,054	940,355	1,138,498
Total loans and accrued interest receivables net of deferred revenue	178,615,719	185,256,378	181,095,877	186,746,822
<u>Less</u> Allowance for doubtful accounts				
1. Minimum allowance per BOT guideline				
- Individual Approach	(2,347,412)	(2,066,643)	(2,362,412)	(2,093,643)
- Collective Approach	(3,592,475)	(3,216,364)	(3,592,475)	(3,216,364)
2. Surplus reserve	(3,592,348)	(3,020,886)	(3,592,348)	(3,110,566)
<u>Less</u> Allowance for troubled debt restructuring	(6,413)	(9,963)	(6,413)	(9,963)
Net loans to customers and accrued interest receivables	169,077,071	176,942,522	171,542,229	178,316,286
<u>Securities business receivables</u>				
Margin accounts	277,716	509,939	-	-
Other receivables	7,099	9,155	-	-
Total securities business receivables	284,815	519,094	-	-
<u>Add</u> Accrued interest receivables	1,640	2,510	-	-
<u>Less</u> Allowance for doubtful accounts	(7,100)	(7,274)	-	-
Net securities business receivables and accrued interest receivables	279,355	514,330	-	-
Total loans to customers and accrued interest receivables, net	169,356,426	177,456,852	171,542,229	178,316,286

Deferred interest revenue of hire-purchase and finance lease contracts are stated net of commissions and direct expenses incurred at the initiation of the contracts.



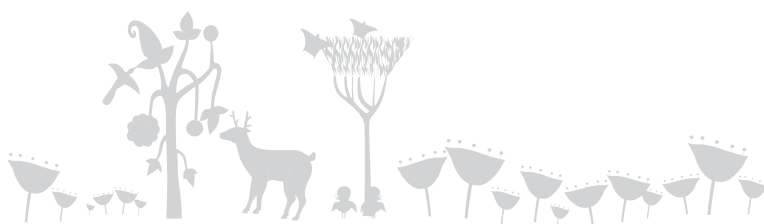
13.2 Classified by currency and residence of customers

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Domestic				
Baht	174,412,402	181,876,342	176,602,337	182,847,248
Foreign				
Baht	2,017,510	2,017,665	2,017,510	2,017,665
US Dollar	1,535,675	743,411	1,535,675	743,411
Total loans	177,965,587	184,637,418	180,155,522	185,608,324

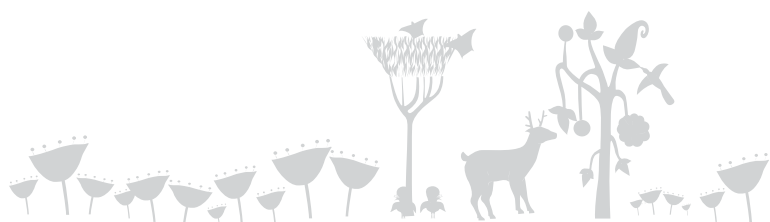


13.3 Classified by business type and loans classification

	Consolidated						The Bank's					
	31 December 2015						31 December 2015					
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	155,066	208	34	264	3,592	159,164	155,066	208	34	264	3,592	159,164
Manufacturing and commerce	7,359,629	471,889	407,747	182,692	440,601	8,862,558	7,359,629	471,889	407,747	182,692	440,601	8,862,558
Property development and construction	25,483,168	2,434,911	1,785,525	2,008,128	2,256,785	33,968,517	25,483,168	2,434,911	1,785,525	2,008,128	2,256,785	33,968,517
Public utilities and services	6,660,817	91,150	2,949	17,207	52,678	6,824,801	6,660,817	91,150	2,949	17,207	52,678	6,824,801
Housing loans	793,844	18,228	23,802	20,650	44,092	900,616	793,844	18,228	23,802	20,650	44,092	900,616
Hire-purchase loans	103,955,491	14,034,933	1,265,051	1,240,953	414,980	120,911,408	103,955,491	14,034,933	1,265,051	1,240,953	414,980	120,911,408
Leasing loans	890,180	11,074	23,616	8,943	-	933,813	890,180	11,074	23,616	8,943	-	933,813
Others	4,952,178	245,282	127,296	20,080	59,874	5,404,710	7,149,115	245,282	127,296	20,080	52,872	7,594,645
Total loans	150,250,373	17,307,675	3,636,020	3,498,917	3,272,602	177,965,587	152,447,310	17,307,675	3,636,020	3,498,917	3,265,600	180,155,522
Accrued interest receivables	682,645	253,844	-	-	98	936,587	686,511	253,844	-	-	-	940,355
Total	150,933,018	17,561,519	3,636,020	3,498,917	3,272,700	178,902,174	153,133,821	17,561,519	3,636,020	3,498,917	3,265,600	181,095,877



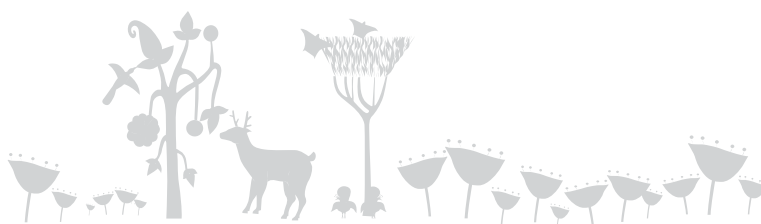
	Consolidated						The Bank's					
	31 December 2014						31 December 2014					
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	62,997	988	-	-	3,592	67,577	62,997	988	-	-	3,592	67,577
Manufacturing and commerce	10,734,471	544,926	282,433	106,426	291,262	11,959,518	10,734,471	544,926	282,433	106,426	291,262	11,959,518
Property development and construction	25,728,626	4,427,114	1,750,436	1,394,156	2,101,723	35,402,055	25,728,626	4,427,114	1,750,436	1,394,156	2,101,723	35,402,055
Public utilities and services	1,975,261	19,113	11,693	120,289	20,275	2,146,631	1,975,261	19,113	11,693	120,289	20,275	2,146,631
Housing loans	196,482	25,018	22,005	36,828	100,943	381,276	196,482	25,018	22,005	36,828	100,943	381,276
Hire-purchase loans	108,962,200	16,912,008	1,737,592	1,559,702	420,094	129,591,596	108,962,200	16,912,008	1,737,592	1,559,702	420,094	129,591,596
Leasing loans	802,085	50,335	4,232	-	8,611	865,263	802,085	50,335	4,232	-	8,611	865,263
Others	3,456,929	386,480	149,223	130,529	100,341	4,223,502	4,435,011	386,480	149,223	130,529	93,165	5,194,408
Total loans	151,919,051	22,365,982	3,957,614	3,347,930	3,046,841	184,637,418	152,897,133	22,365,982	3,957,614	3,347,930	3,039,665	185,608,324
Accrued interest receivables	722,763	417,703	-	-	98	1,140,564	720,795	417,703	-	-	-	1,138,498
Total	152,641,814	22,783,685	3,957,614	3,347,930	3,046,939	185,777,982	153,617,928	22,783,685	3,957,614	3,347,930	3,039,665	186,746,822



13.4 Classification by loans classification

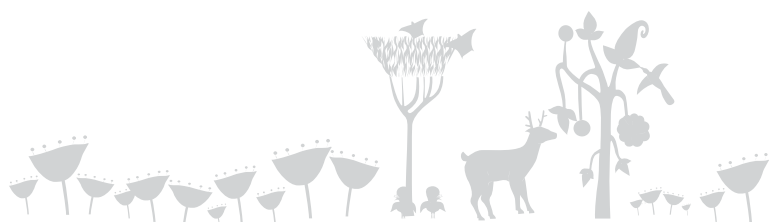
Loans classification	Consolidated			
	2015			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for Allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	46,513,427	12,810,868	1.00	128,108
Hire-purchase receivables-fleet	4,269,013	2,365,844	1.00	23,658
Hire-purchase receivables	100,150,578	99,703,794	1.30	1,293,103
Special mention				
Loans ⁽¹⁾	3,331,883	305,905	2.00	6,118
Hire-purchase receivables-fleet	343,794	250,288	2.00	5,006
Hire-purchase receivables	13,885,842	13,695,387	10.20	1,396,628
Substandard				
Loans	2,370,969	626,155	100.00	626,155
Hire-purchase receivables-fleet	42,759	36,237	100.00	36,237
Hire-purchase receivables	1,222,292	1,222,292	31.53	385,359
Doubtful				
Loans	2,257,964	758,528	100.00	758,528
Hire-purchase receivables-fleet	20,896	20,896	100.00	20,896
Hire-purchase receivables	1,220,057	1,220,057	31.79	387,847
Doubtful loss				
Loans	2,857,720	739,176	100.00	739,176
Hire-purchase receivables-fleet	10,629	10,629	100.00	10,629
Hire-purchase receivables	404,351	404,351	32.04	129,539
Total loans and accrued interest receivables	178,902,174	134,170,407		5,946,987
Additional allowance for some doubtful accounts				742,348
General reserve				2,850,000
Total				9,539,335

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.



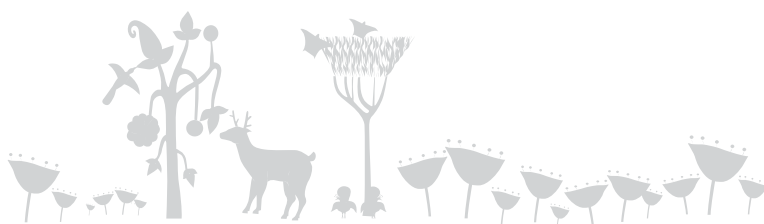
Consolidated				
2014				
Loans classification	Loans outstanding and interest receivables Thousand Baht	Net balance used for Allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	43,175,607	11,388,560	1.00	115,258
Hire-purchase receivables-fleet	4,912,128	3,001,131	1.00	30,012
Hire-purchase receivables	104,554,079	104,070,966	0.80	834,975
Special mention				
Loans ⁽¹⁾	5,624,976	676,150	2.00	13,448
Hire-purchase receivables-fleet	350,758	286,903	2.00	5,738
Hire-purchase receivables	16,807,951	16,566,748	7.59	1,256,688
Substandard				
Loans	2,220,022	544,412	100.00	544,412
Hire-purchase receivables-fleet	37,537	37,537	100.00	37,537
Hire-purchase receivables	1,700,055	1,700,055	27.18	462,133
Doubtful				
Loans	1,788,228	576,510	100.00	576,510
Hire-purchase receivables-fleet	37,879	37,451	100.00	37,451
Hire-purchase receivables	1,521,823	1,521,823	27.44	417,639
Doubtful loss				
Loans	2,626,845	837,789	100.00	837,789
Hire-purchase receivables-fleet	27,519	27,519	100.00	27,519
Hire-purchase receivables	392,575	392,575	27.17	106,672
Total loans and accrued interest receivables	185,777,982	141,666,129		5,303,781
Additional allowance for some doubtful accounts				1,157,386
General reserve				1,850,000
Total				8,311,167

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.



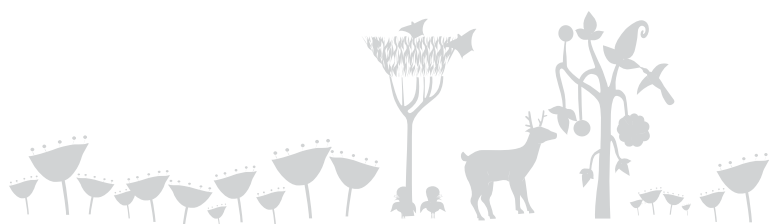
Loans classification	The Bank's			
	2015			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for Allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	48,714,230	14,310,868	1.00	143,109
Hire-purchase receivables-fleet	4,269,013	2,365,844	1.00	23,658
Hire-purchase receivables	100,150,578	99,703,794	1.30	1,293,103
Special mention				
Loans ⁽¹⁾	3,331,883	305,905	2.00	6,118
Hire-purchase receivables-fleet	343,794	250,288	2.00	5,006
Hire-purchase receivables	13,885,842	13,695,387	10.20	1,396,627
Substandard				
Loans	2,370,969	626,155	100.00	626,155
Hire-purchase receivables-fleet	42,759	36,237	100.00	36,237
Hire-purchase receivables	1,222,292	1,222,292	31.53	385,359
Doubtful				
Loans	2,257,964	758,528	100.00	758,528
Hire-purchase receivables-fleet	20,896	20,896	100.00	20,896
Hire-purchase receivables	1,220,057	1,220,057	31.79	387,847
Doubtful loss				
Loans	2,850,620	732,076	100.00	732,076
Hire-purchase receivables-fleet	10,629	10,629	100.00	10,629
Hire-purchase receivables	404,351	404,351	32.04	129,539
Total loans and accrued interest receivables	181,095,877	135,663,307		5,954,887
Additional allowance for some doubtful accounts				742,348
General reserve				2,850,000
Total				9,547,235

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.



The Bank's				
2014				
Loans classification	Loans outstanding and interest receivables Thousand Baht	Net balance used for Allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	44,151,721	12,878,560	1.00	128,758
Hire-purchase receivables-fleet	4,912,128	3,001,131	1.00	30,012
Hire-purchase receivables	104,554,079	104,070,966	0.80	834,975
Special mention				
Loans ⁽¹⁾	5,624,976	676,150	2.00	13,448
Hire-purchase receivables-fleet	350,758	286,903	2.00	5,738
Hire-purchase receivables	16,807,951	16,566,748	7.59	1,256,688
Substandard				
Loans	2,220,022	544,412	100.00	544,412
Hire-purchase receivables-fleet	37,537	37,537	100.00	37,537
Hire-purchase receivables	1,700,055	1,700,055	27.18	462,133
Doubtful				
Loans	1,788,228	576,510	100.00	576,510
Hire-purchase receivables-fleet	37,879	37,451	100.00	37,451
Hire-purchase receivables	1,521,823	1,521,823	27.44	417,639
Doubtful loss				
Loans	2,619,571	830,515	100.00	830,515
Hire-purchase receivables-fleet	27,519	27,519	100.00	27,519
Hire-purchase receivables	392,575	392,575	27.17	106,672
Total loans and accrued interest receivables	186,746,822	143,148,855		5,310,007
Additional allowance for some doubtful accounts				1,260,566
General reserve				1,850,000
Total				8,420,573

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.



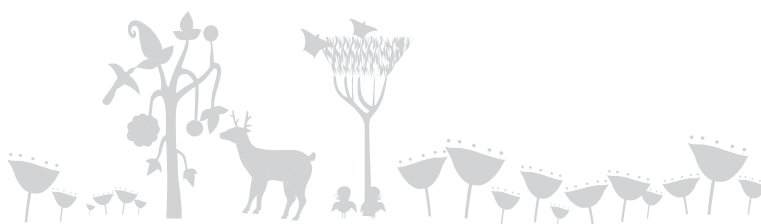
13.5 Non-performing loans

The Group has non-performing loans, defined according to the BOT's Notification as loan classified as substandard, doubtful, and doubtful loss, including interbank and money market items, but excluding accrued interest receivables, as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Non-performing loans (excluding accrued interest receivables)	10,407,539	10,352,385	10,400,537	10,345,209
Percentage of non-performing loans to total loans (including loans to financial institutions)	5.66	5.55	5.55	5.52
Non-performing loans net of allowance for doubtful accounts (excluding accrued interest receivables)	6,920,672	6,683,038	6,920,672	6,683,136
Percentage of non-performing loans net of allowance for doubtful accounts to total loans net of allowance for doubtful accounts (including loans to financial institutions)	3.84	3.65	3.76	3.64
Percentage of non-performing loans to the total of each type of loans				
- Loans	13.18	12.16	12.62	11.83
- Hire-purchase receivables	2.42	2.87	2.42	2.87
- Securities and derivative business receivables	2.46	1.38	-	-

Loans and accrued interest receivables from which recognition of income based on accrual basis has been discontinued are as follows;

	Consolidated			
	2015		2014	
	Principal Thousand Baht	Interest receivables Thousand Baht	Principal Thousand Baht	Interest receivables Thousand Baht
Loans and bills receivables	7,479,553	-	6,627,821	-
Securities business receivables	7,002	98	7,176	98
Hire-purchase receivables	2,920,984	-	3,717,388	-
Total loans from which recognition of income has been discontinued	10,407,539	98	10,352,385	98



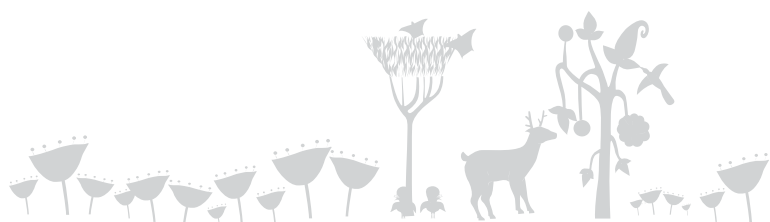
	The Bank's			
	2015		2014	
	Principal Thousand Baht	Interest receivables Thousand Baht	Principal Thousand Baht	Interest receivables Thousand Baht
Loans and bills receivables	7,479,553	-	6,627,821	-
Hire-purchase receivables	2,920,984	-	3,717,388	-
Total loans from which recognition of income has been discontinued	10,400,537	-	10,345,209	-

14. Hire-Purchase and Finance Lease Receivables

Receivables of the Group under hire-purchase and finance lease agreements and mostly comprise hire-purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements, interest is charged at a fixed rate as specified in agreements.

	Consolidated and The Bank's			
	2015			
	Amount due under lease agreements			
	Less than 1 year Thousand Baht	Within 1-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Gross investment in the agreements	3,954,762	106,658,571	29,877,316	140,490,649
<u>Less</u> Unearned income*				(18,645,428)
Present value of minimum lease payment per agreement				121,845,221
<u>Less</u> Allowance for doubtful accounts				(3,760,013)
Hire-purchase and finance lease receivables, net				118,085,208

* Net of commission and direct expenses incurred at the initiation of hire-purchase.



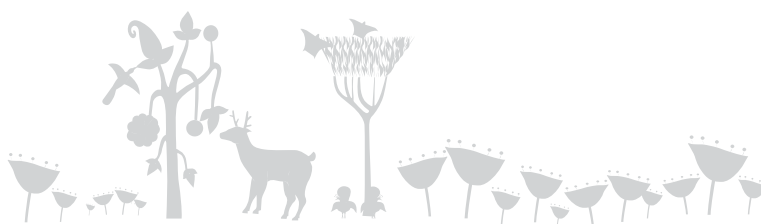
Consolidated and The Bank's			
2014			
Amount due under lease agreements			
	Less than 1 year Thousand Baht	Within 1-5 years Thousand Baht	Over 5 years Thousand Baht
Gross investment in the agreements	3,370,436	118,243,706	28,651,150
<u>Less</u> Unearned income*			(19,808,433)
Present value of minimum lease payment per agreement			130,456,859
<u>Less</u> Allowance for doubtful accounts			(3,335,772)
Hire-purchase and finance lease receivables, net	127,121,087		

* Net of commission and direct expenses incurred at the initiation of hire-purchase.

15. Allowance for Doubtful Accounts

Consolidated						
2015						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht
At beginning of year	1,287,038	1,504,782	1,291,475	1,237,725	1,140,147	1,850,000
<u>Add</u> Doubtful accounts (reversal)	409,706	844	(204,477)	31,686	2,595,707	1,000,000
<u>Less</u> Bad debt written-off	-	-	-	-	(2,605,298)	-
At end of year	1,696,744	1,505,626	1,086,998	1,269,411	1,130,556	2,850,000

Consolidated						
2014						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht
At beginning of year	1,946,897	1,402,928	655,523	942,435	1,075,765	1,228,100
<u>Add</u> Doubtful accounts (reversal)	(659,859)	101,854	635,952	295,290	2,065,738	621,900
Bad debts recovered	-	-	-	-	367,155	-
<u>Less</u> Bad debt written-off	-	-	-	-	(2,368,511)	-
At end of year	1,287,038	1,504,782	1,291,475	1,237,725	1,140,147	1,850,000



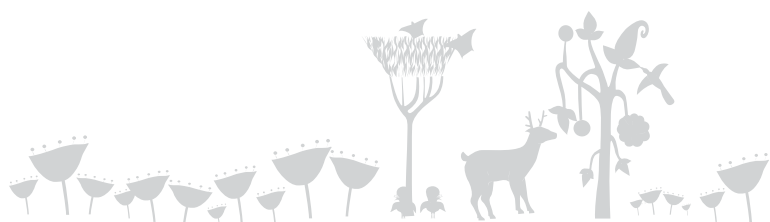
	The Bank's						
	2015						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	1,403,718	1,504,782	1,291,475	1,237,725	1,132,873	1,850,000	8,420,573
Add Doubtful accounts (reversal)	308,026	844	(204,477)	31,686	2,595,881	1,000,000	3,731,960
Less Bad debt written-off	-	-	-	-	(2,605,298)	-	(2,605,298)
At end of year	1,711,744	1,505,626	1,086,998	1,269,411	1,123,456	2,850,000	9,547,235

	The Bank's						
	2014						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	1,946,897	1,402,928	655,523	942,434	1,069,367	1,228,100	7,245,249
<u>Add</u> Doubtful accounts (reversal)	(543,179)	101,854	635,952	295,291	2,064,862	621,900	3,176,680
Bad debts recovered	-	-	-	-	367,155	-	367,155
<u>Less</u> Bad debt written-off	-	-	-	-	(2,368,511)	-	(2,368,511)
At end of year	1,403,718	1,504,782	1,291,475	1,237,725	1,132,873	1,850,000	8,420,573

16. Troubled Debt Restructuring

As at 31 December 2015 and 2014, the Group has outstanding receivables which have been restructured as follows;

	Consolidated and The Bank's		
	Number of loans	Outstanding balance after restructuring Thousand Baht	Outstanding balance Thousand Baht
Restructured before 2015	58	585,187	-
Restructured during the year ended 31 December 2015	5	653,295	246,586



Details of customers whose debts have been restructured during the year ended 31 December 2015 compared with the total customers, both in the consolidated and bank financial statements are as follows:

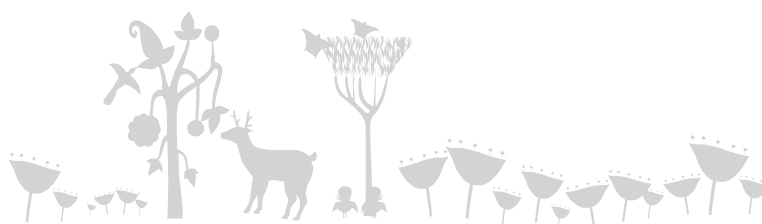
	Consolidated and The Bank's			
	2015		2014	
	Number of loans	Outstanding balance before restructuring Thousand Baht	Number of loans	Outstanding balance before restructuring Thousand Baht
Restructured debts	5	653,295	-	-
Total customers	463,670	180,155,522	472,118	185,608,324

Details of the restructured debts for the year ended 31 December 2015, classified into the restructuring methods are as follows (31 December 2014: Nil);

Restructuring method	Consolidated and the Bank's					
	For the year ended 31 December 2015					
	Number of loans	Outstanding balance		Assets transferred		Loss from restructuring Thousand Baht
		Before restructuring Thousand Baht	After restructuring Thousand Baht	Type of assets	Fair value of assets Thousand Baht	
Transfer of properties	3	562,078	173,154	Condominium	428,391	101,499
Modifications of terms of receivables	2	91,217	77,400	-	-	817
Total	5	653,295	250,554		428,391	102,316

The debts restructured referred to above can be classified by the terms of repayment under the restructuring agreements as follows;

Period of debts restructuring contracts	Consolidated and the Bank's					
	2015			2014		
	Number of debtors	Debt balances		Number of debtors	Debt balances	
		Before restructuring Thousand Baht	After restructuring Thousand Baht		Before restructuring Thousand Baht	After restructuring Thousand Baht
0 - 1 month	1	546	400	-	-	-
More than 1 month - 3 months	-	-	-	-	-	-
More than 3 months - 6 months	4	652,749	250,154	-	-	-
More than 6 months - 12 months	-	-	-	-	-	-
More than 12 months	-	-	-	-	-	-
Total	5	653,295	250,554	-	-	-



Supplemental information relating to the restructured debts for the years ended 31 December 2015 and 2014 are as follows:

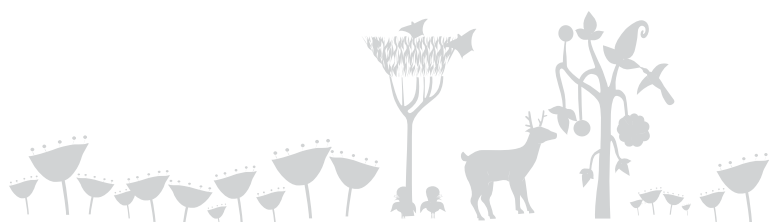
	Consolidated and the Bank's	
	2015 Thousand Baht	2014 Thousand Baht
Loss on debt restructuring	102,316	-
Interest income	39,889	-

17. Allowance for Troubled Debt Restructuring

	Consolidated and the Bank's	
	2015 Thousand Baht	2014 Thousand Baht
At beginning of year	9,963	23,415
<u>Less</u> Decreased during year	(3,550)	(13,452)
At end of year	6,413	9,963

18. Properties Foreclosed, Net

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Properties foreclosed	6,058,531	4,703,569	7,539,664	4,513,579
<u>Less</u> Provision for diminution in value	(1,460,153)	(1,036,222)	(1,433,177)	(993,423)
Net properties foreclosed	4,598,378	3,667,347	6,106,487	3,520,156

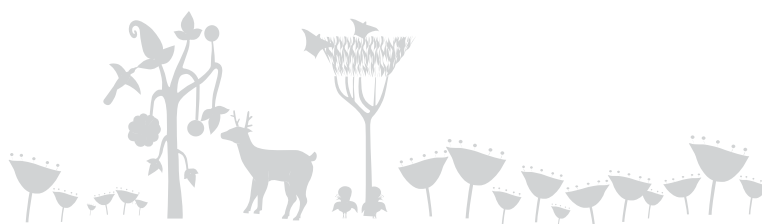


The Group acquired properties foreclosed by transferring assets, auction and repossession for the debt settlement.

Consolidated			
2015			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	4,482,616	220,953	4,703,569
Additions	2,048,706	3,987,642	6,036,348
Disposals	(714,548)	(3,966,838)	(4,681,386)
At end of year	5,816,774	241,757	6,058,531
<u>Less</u> Provision for diminution in value	(1,383,669)	(76,484)	(1,460,153)
Net properties foreclosed	4,433,105	165,273	4,598,378

Consolidated			
2014			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	5,210,159	177,847	5,388,006
Additions	606,655	4,930,491	5,537,146
Disposals	(1,334,198)	(4,887,385)	(6,221,583)
At end of year	4,482,616	220,953	4,703,569
<u>Less</u> Provision for diminution in value	(962,968)	(73,254)	(1,036,222)
Net properties foreclosed	3,519,648	147,699	3,667,347

The Bank's			
2015			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	4,292,626	220,953	4,513,579
Additions	3,836,252	3,987,642	7,823,894
Disposals	(830,971)	(3,966,838)	(4,797,809)
At end of year	7,297,907	241,757	7,539,664
<u>Less</u> Provision for diminution in value	(1,356,693)	(76,484)	(1,433,177)
Net properties foreclosed	5,941,214	165,273	6,106,487



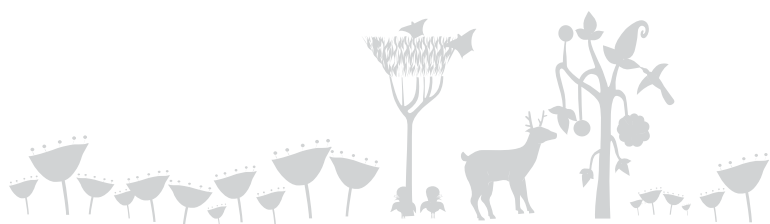
The Bank's			
2014			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	5,227,277	177,631	5,404,908
Additions	497,348	4,930,491	5,427,839
Disposals	(1,431,999)	(4,887,169)	(6,319,168)
At end of year	4,292,626	220,953	4,513,579
<u>Less</u> Provision for diminution in value	(920,169)	(73,254)	(993,423)
Net properties foreclosed	3,372,457	147,699	3,520,156

The details of assets at fair value where the Bank granted an option to debtors for repurchasing classified by outstanding term of contract as at 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Less than 2 months	5,773	5,500	5,773	5,500
2 - 12 months	-	67,796	-	32,144
Total	5,773	73,296	5,773	37,644

Immovable properties foreclosed classified by external and internal appraisers as at 31 December 2015 and 2014 are as follows;

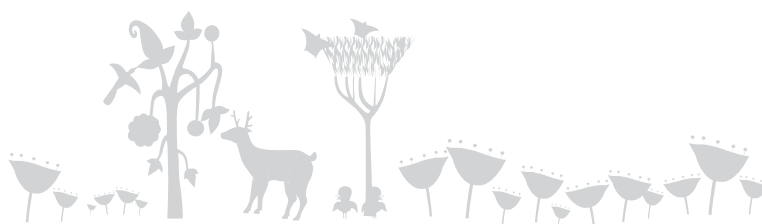
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Immovable properties foreclosed				
Appraised by external appraisers	5,286,534	3,769,501	6,768,306	3,592,118
Appraised by internal appraisers	530,240	713,115	529,601	700,508
Total	5,816,774	4,482,616	7,297,907	4,292,626



19. Land, Premises and Equipment, Net

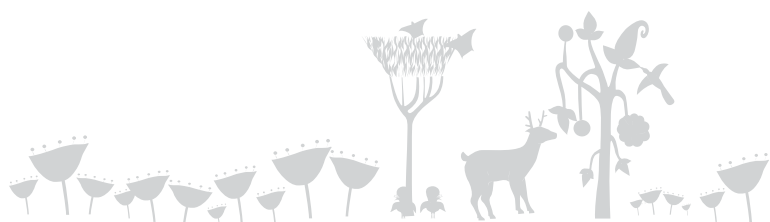
	Consolidated								
	2015								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	150,442	188,938	-	339,380	-	-	-	-	339,380
Premises and building and building improvement	1,506,178	337,150	-	1,843,328	(779,915)	(56,830)	640	(836,105)	1,007,223
Equipment	1,440,540	79,178	(92,175)	1,427,543	(1,133,889)	(136,316)	89,198	(1,181,007)	246,536
Furniture and fixtures	861,209	116,998	(186,849)	791,358	(719,263)	(68,413)	162,297	(625,379)	165,979
Vehicles	346,374	61,772	(41,585)	366,561	(229,914)	(54,218)	39,886	(244,246)	122,315
Work in progress	3,550	80,042	(72,763)	10,829	-	-	-	-	10,829
Total	4,308,293	864,078	(393,372)	4,778,999	(2,862,981)	(315,777)	292,021	(2,886,737)	1,892,262

	Consolidated								
	2014								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Thousand Baht
Land	150,442	-	-	150,442	-	-	-	-	150,442
Premises and building and building improvement	1,465,590	51,612	(2,024)	1,506,178	(708,001)	(73,843)	1,929	(779,915)	726,551
Equipment	1,407,484	101,127	(68,071)	1,440,540	(1,053,758)	(139,714)	59,583	(1,133,889)	306,363
Furniture and fixtures	871,614	16,581	(26,986)	861,209	(636,800)	(104,160)	21,697	(719,263)	141,946
Vehicles	355,675	9,754	(19,055)	346,374	(189,503)	(59,466)	19,055	(229,914)	116,460
Work in progress	1,151	27,205	(24,806)	3,550	-	-	-	-	3,550
Total	4,242,956	206,279	(140,942)	4,308,293	(2,588,062)	(377,183)	102,264	(2,862,981)	1,445,312



	The Bank's								
	2015								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Equipment, net Thousand Baht
Land	94,968	-	-	94,968	-	-	-	-	94,968
Premises and building	76,552	-	-	76,552	(48,359)	(3,135)	-	(51,494)	25,058
Equipment	967,666	46,299	(84,538)	929,427	(756,438)	(85,472)	81,731	(760,179)	169,248
Furniture and fixtures	729,367	103,459	(181,640)	651,186	(617,976)	(57,373)	158,859	(516,490)	134,696
Vehicles	310,439	52,716	(31,464)	331,691	(202,924)	(49,821)	29,766	(222,979)	108,712
Work in progress	1,248	71,780	(63,988)	9,040	-	-	-	-	9,040
Total	2,180,240	274,254	(361,630)	2,092,864	(1,625,697)	(195,801)	270,356	(1,551,142)	541,722

	The Bank's								
	2014								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Equipment, net Thousand Baht
Land	94,968	-	-	94,968	-	-	-	-	94,968
Premises and building	76,552	-	-	76,552	(44,883)	(3,476)	-	(48,359)	28,193
Equipment	957,878	58,468	(48,680)	967,666	(702,763)	(92,431)	38,756	(756,438)	211,228
Furniture and fixtures	745,889	7,185	(23,707)	729,367	(546,410)	(91,951)	20,385	(617,976)	111,391
Vehicles	319,741	9,753	(19,055)	310,439	(166,761)	(55,218)	19,055	(202,924)	107,515
Work in progress	595	9,080	(8,427)	1,248	-	-	-	-	1,248
Total	2,195,623	84,486	(99,869)	2,180,240	(1,460,817)	(243,076)	78,196	(1,625,697)	554,543



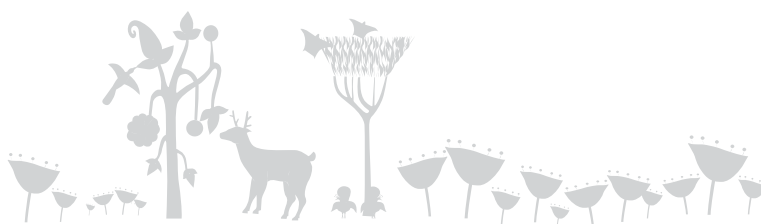
20. Other Intangible Assets, Net and Goodwill

20.1 Other intangible assets, net

	Consolidated								
	2015								
	Cost				Accumulated amortisation				Other Intangible Asset, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Software	1,065,978	175,396	(312)	1,241,062	(662,618)	(86,731)	632	(748,717)	492,345
License fee	7,168	630	(380)	7,418	(1,691)	(49)	-	(1,740)	5,678
Work in progress	132,298	165,353	(110,710)	186,941	-	-	-	-	186,941
Total	1,205,444	341,379	(111,402)	1,435,421	(664,309)	(86,780)	632	(750,457)	684,964

	Consolidated								
	2014								
	Cost				Accumulated amortisation				Other Intangible Asset, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Software	995,528	70,522	(72)	1,065,978	(585,135)	(77,483)	-	(662,618)	403,360
License fee	7,168	-	-	7,168	(1,641)	(50)	-	(1,691)	5,477
Work in progress	68,932	97,163	(33,797)	132,298	-	-	-	-	132,298
Total	1,071,628	167,685	(33,869)	1,205,444	(586,776)	(77,533)	-	(664,309)	541,135

	The Bank's								
	2015								
	Cost				Accumulated amortisation				Other Intangible Asset, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Software	789,025	129,773	-	918,798	(420,915)	(63,205)	-	(484,120)	434,678
Work in progress	117,807	150,311	(85,461)	182,657	-	-	-	-	182,657
Total	906,832	280,084	(85,461)	1,101,455	(420,915)	(63,205)	-	(484,120)	617,335



	The Bank's								
	2014								
	Cost				Accumulated amortisation				Other Intangible Asset, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Software	729,241	59,784	-	789,025	(365,430)	(55,485)	-	(420,915)	368,110
Work in progress	59,824	89,379	(31,396)	117,807	-	-	-	-	117,807
Total	789,065	149,163	(31,396)	906,832	(365,430)	(55,485)	-	(420,915)	485,917

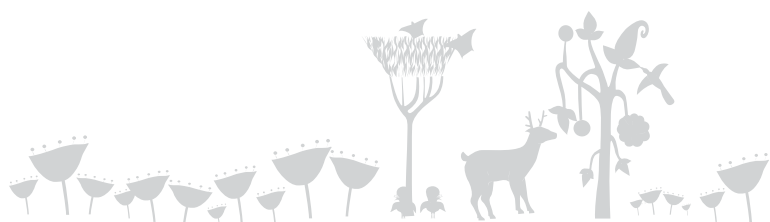
20.2 Goodwill

Consolidated				
2015				
Cost				
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035

Consolidated				
2014				
Cost				
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035

Goodwill arised from the Capital Market segment which was identified as the cash-generating unit (CGU).

The recoverable amount of this CGU is determined by the Dividend Discount Model. This calculation used the dividend received projection based on financial budgets covering a ten-year period which are referred from the past operating results together with the estimated growth rates of market and the subsidiaries which management believes that ten years period can reflect their business plan. Dividend beyond the ten-year extrapolation uses the estimated dividend growth rate of 4% and the discount rate of 12% per annum.



The recoverable amount using this Dividend Discount Model is greater than the book value amount of million 598 Baht. A reduction in dividend growth rate to 3.17% or a rise in discount rate to 12.47% would remove the remaining headroom.

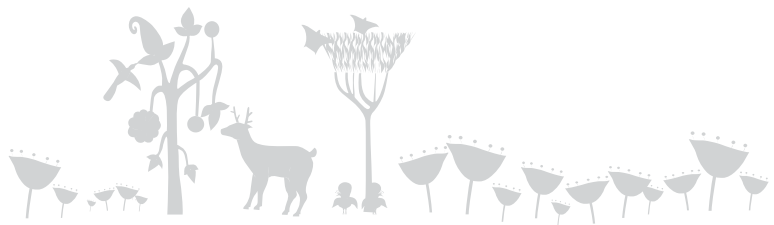
21. Deferred Income Tax, Net

Deferred tax assets and deferred tax liabilities as at 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Deferred tax assets	1,444,770	945,037	1,389,447	929,419
Deferred tax liabilities	(108,789)	(81,628)	-	-
Deferred income tax, net	1,335,981	863,409	1,389,447	929,419

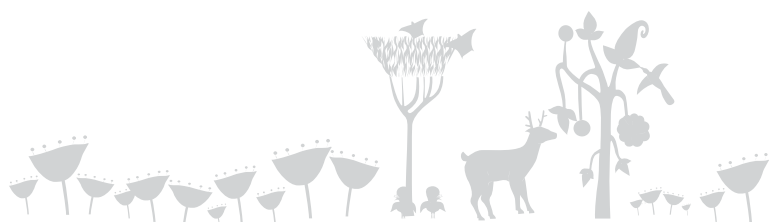
Movements in deferred tax assets and deferred tax liabilities during the year were as follows;

	Consolidated			
	Balance as at 1 January 2015 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2015 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	378,259	200,216	-	578,475
Allowance for impairment of investments	228,386	34,523	-	262,909
Allowance for impairment of properties foreclosed	200,743	87,747	-	288,490
Provisions	194,539	6,310	2,689	203,538
Income received in advance	227,772	(11,277)	-	216,495
Non-accrued interest income	54,983	4,777	-	59,760
Depreciation of assets	1,823	(905)	-	918
Loss on remeasuring available-for-sale securities	43	-	5,550	5,593
Unrealised loss on remeasuring trading securities	-	40,193	-	40,193
Unused tax losses	-	33,034	-	33,034
Others	35,397	90,530	-	125,927
Total	1,321,945	485,148	8,239	1,815,332



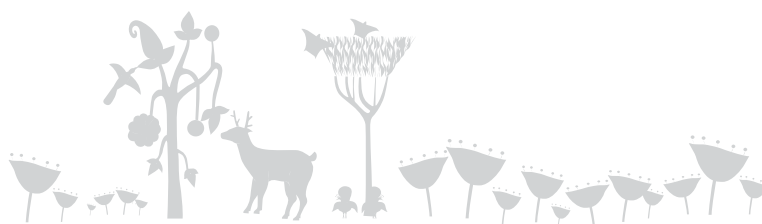
Consolidated				
	Balance as at 1 January 2015 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2015 Thousand Baht
Deferred tax liabilities				
Premise appraisal surplus	34,250	(3,446)	-	30,804
Prepaid hire-purchase commission	285,557	(18,205)	-	267,352
Gain on remeasuring available-for-sale securities	93,777	-	(18,045)	75,732
Unrealised gain on remeasuring trading securities	8,094	(1,401)	-	6,693
Unrealised gain on remeasuring securities borrowing and lending	8,678	73,446	-	82,124
Unrealised gain on remeasuring derivatives	25,380	(11,907)	-	13,473
Others	2,800	373	-	3,173
Total	458,536	38,860	(18,045)	479,351
Deferred income tax, net	863,409	446,288	26,284	1,335,981

Consolidated				
	Balance as at 1 January 2014 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2014 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	255,173	123,086	-	378,259
Allowance for impairment of investments	108,354	120,032	-	228,386
Allowance for impairment of properties foreclosed	252,135	(51,392)	-	200,743
Provisions	190,585	5,684	(1,730)	194,539
Income received in advance	261,602	(33,830)	-	227,772
Non-accrued interest income	44,585	10,398	-	54,983
Depreciation of assets	2,846	(1,023)	-	1,823
Loss on remeasuring available-for-sale securities	46	-	(3)	43
Others	18,371	17,026	-	35,397
Total	1,133,697	189,981	(1,733)	1,321,945



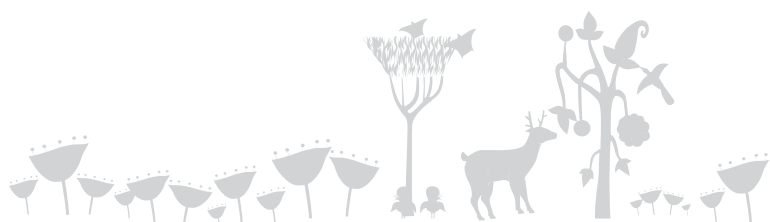
Consolidated				
	Balance as at 1 January 2014 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2014 Thousand Baht
Deferred tax liabilities				
Premise appraisal surplus	37,696	(3,446)	-	34,250
Prepaid hire-purchase commission	326,922	(41,365)	-	285,557
Gain on remeasuring available-for-sale securities	60,743	-	33,034	93,777
Unrealised gain on remeasuring trading securities	7,360	734	-	8,094
Unrealised gain on remeasuring securities borrowing and lending	60,520	(51,842)	-	8,678
Unrealised gain on remeasuring derivatives	32,175	(6,795)	-	25,380
Others	1,779	1,021	-	2,800
Total	527,195	(101,693)	33,034	458,536
Deferred income tax, net	606,502	291,674	(34,767)	863,409

The Bank's				
	Balance as at 1 January 2015 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2015 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	376,510	200,216	-	576,726
Allowance for impairment of investments	226,920	34,523	-	261,443
Allowance for impairment of properties foreclosed	198,685	87,951	-	286,636
Provisions	169,340	1,517	1,531	172,388
Income received in advance	220,993	(9,231)	-	211,762
Non-accrued interest income	54,983	4,777	-	59,760
Others	32,816	130,915	-	163,731
Total	1,280,247	450,668	1,531	1,732,446



The Bank's				
	Balance as at 1 January 2015 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2015 Thousand Baht
Deferred tax liabilities				
Prepaid hire-purchase commission	285,557	(18,205)	-	267,352
Gain on remeasuring available-for-sale securities	64,849	-	10,798	75,647
Others	422	(422)	-	-
Total	350,828	(18,627)	10,798	342,999
Deferred income tax, net	929,419	469,295	(9,267)	1,389,447

The Bank's				
	Balance as at 1 January 2014 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2014 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	253,424	123,086	-	376,510
Allowance for impairment of investments	106,888	120,032	-	226,920
Allowance for impairment of properties foreclosed	249,872	(51,187)	-	198,685
Provisions	164,228	5,112	-	169,340
Income received in advance	252,188	(31,195)	-	220,993
Non-accrued interest income	44,585	10,398	-	54,983
Others	15,599	17,217	-	32,816
Total	1,086,784	193,463	-	1,280,247



	The Bank's			
	Balance as at 1 January 2014 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2014 Thousand Baht
Deferred tax liabilities				
Prepaid hire-purchase commission	326,922	(41,365)	-	285,557
Gain on remeasuring available-for-sale securities	46,102	-	18,747	64,849
Others	1,409	(987)	-	422
	374,433	(42,352)	18,747	350,828
Total	712,351	235,815	(18,747)	929,419

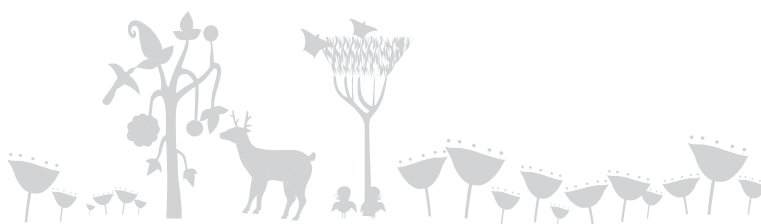
Accordingly the Group used a tax rate of 20% for calculation of deferred income tax for the years ended 31 December 2015 and 2014.

The deferred tax assets of subsidiaries which have not been recognised in the statements of financial position as at 31 December 2015 and 2014 are as follows;

	Consolidated	
	2015 Thousand Baht	2014 Thousand Baht
Unused tax losses	-	59,946
Provisions	-	3,791
Total	-	63,737

The Group has unrecognised tax losses to carry forward against future taxable income; these tax losses will expire in as follows:

	Consolidated s	
	2015 Thousand Baht	2014 Thousand Baht
Within 1 year	-	-
2 - 5 year	-	59,946
Total	-	59,946



22. Other Assets, Net

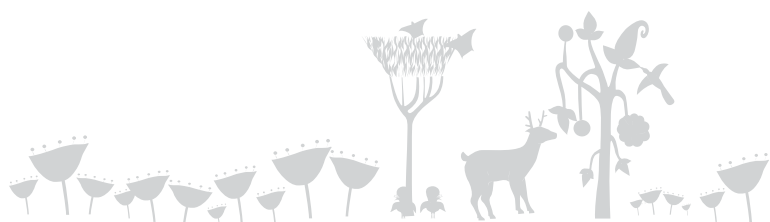
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interest and dividend income receivables	118,848	154,713	105,048	140,574
Other income receivables*	38,602	30,607	10,721	10,739
Prepaid expenses and deferred expenses	82,581	80,738	56,853	56,473
Prepaid output tax for hire-purchase receivables*	98,186	112,191	98,186	112,191
Other receivables, net*	1,975,138	628,289	1,417,195	435,155
Receivables from trading securities	-	130,810	-	130,810
Refundable deposit	197,034	180,459	92,265	83,977
Withholding income tax	15,952	16,832	-	-
Input VAT - pending tax invoice	320,960	212,898	320,944	212,891
Prepayment for leasehold right	2,901	4,752	24,860	35,013
Others*	134,254	151,438	82,027	68,952
Total other assets	2,984,456	1,703,727	2,208,099	1,286,775

*As at 31 December 2015 these transactions are shown net of total doubtful accounts of Baht 38.73 million and Baht 29.99 million in the consolidated and the Bank's financial statements, respectively. (2014: Baht 41.29 million and Baht 32.55 million in the consolidated and the Bank's financial statements, respectively).

23. Deposits

23.1 Classified by type of deposit

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Current accounts	349,549	242,971	738,466	303,983
Savings accounts	52,524,864	62,850,117	52,589,918	62,914,378
Term deposits	50,802,178	68,516,850	50,802,178	68,516,850
NCD	650,308	687,228	650,308	687,228
Total	104,326,899	132,297,166	104,780,870	132,422,439



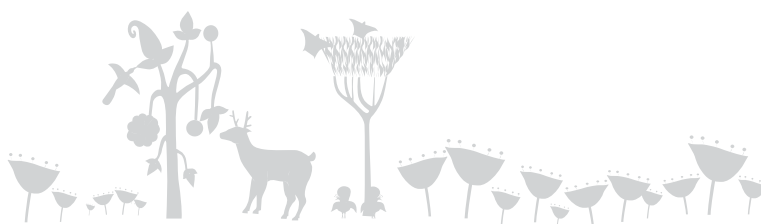
23.2 Classified by currency and residence of depositors

	Consolidated					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	103,796,982	529,917	104,326,899	131,650,918	646,248	132,297,166
Total	103,796,982	529,917	104,326,899	131,650,918	646,248	132,297,166

	The Bank's					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	104,250,953	529,917	104,780,870	131,776,191	646,248	132,422,439
Total	104,250,953	529,917	104,780,870	131,776,191	646,248	132,422,439

24. Interbank and Money Market Items, Net (liabilities)

	Consolidated					
	2015			2014		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
Bank of Thailand and Financial Institution Development Fund	-	394,444	394,444	-	625,506	625,506
Commercial banks	283,870	1,950,000	2,233,870	-	3,368,278	3,368,278
Specific Financial Institution	-	4,953,270	4,953,270	3,630	3,600,000	3,603,630
Other financial institutions	122,380	1,505,477	1,627,857	50,870	2,146,785	2,197,655
Total	406,250	8,803,191	9,209,441	54,500	9,740,569	9,795,069

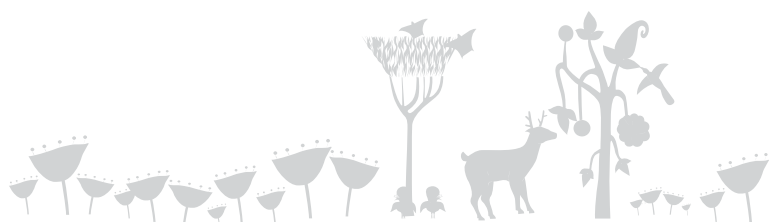


	The Bank's					
	2015			2014		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
Bank of Thailand and Financial Institution Development Fund	-	394,444	394,444	-	625,506	625,506
Commercial banks	13,870	1,950,000	1,963,870	-	3,368,278	3,368,278
Specific Financial Institution	-	4,953,270	4,953,270	3,630	3,600,000	3,603,630
Other financial institutions	157,722	1,648,716	1,806,438	321,825	2,191,676	2,513,501
Total	171,592	8,946,430	9,118,022	325,455	9,785,460	10,110,915

25. Debt Issued and Borrowings

	Currency	Interest rate %	Maturity	Consolidated	
				2015 Thousand Baht	2014 Thousand Baht
Senior securities	THB	1.50 - 5.10	2016 – 2018	57,827,838	42,514,456
Subordinated bond	THB	5.10	2025	3,000,000	-
Bills of exchange	THB	3.65 - 5.10	2016 – 2017	257,078	257,078
Total				61,084,916	42,771,534

	Currency	Interest rate %	Maturity	Consolidated	
				2015 Thousand Baht	2014 Thousand Baht
Senior securities	THB	1.60 - 5.10	2016 – 2018	56,168,000	40,105,000
Subordinated bond	THB	5.10	2025	3,000,000	-
Bills of exchange	THB	3.65 - 5.10	2016 – 2017	257,078	257,078
Total				59,425,078	40,362,078



26. Provisions

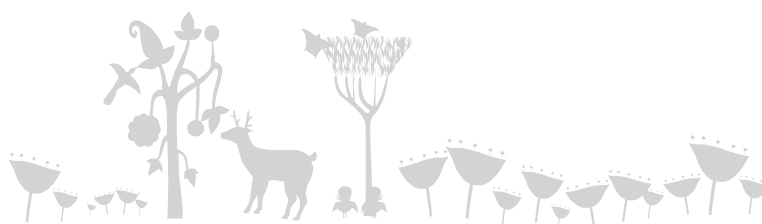
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Post-employment benefits obligation	399,403	327,444	243,102	195,967
Others	42,470	74,700	41,791	73,686
Total	441,873	402,144	284,893	269,653

Post-employment benefits obligation

The Group has post-employment benefits plan under the Thai Labor Protection Act, which is considered as unfunded defined benefit plans.

Amounts recognised in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Service cost for previous period	-	973	-	-
Current service cost	49,921	45,064	34,710	30,766
Interest cost	12,909	11,969	8,596	7,058
Total	62,830	58,006	43,306	37,824

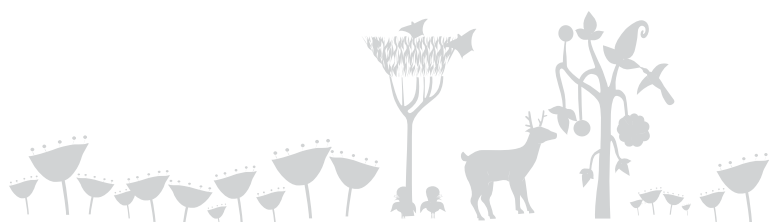


Movements in the present value of the defined benefit obligation for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Beginning defined benefit obligation	327,444	304,435	195,967	169,833
Service cost for previous period	-	973	-	-
Current service cost	49,921	45,064	34,710	30,766
Interest cost	12,909	11,969	8,596	7,058
Defined benefit obligation transferred from subsidiary company	-	-	-	1,721
Remeasurements :				
Gain from change in demographic assumptions	(14,590)	(9,741)	(7,763)	-
Loss from change in financial assumptions	16,472	-	5,082	-
Experience gain	14,714	-	10,334	-
Benefits paid	(7,467)	(25,256)	(3,824)	(13,411)
Ending defined benefit obligation	399,403	327,444	243,102	195,967

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

	2015	2014
Financial assumptions		
Discount rate	2.7% - 2.9%	2.9% - 4.4%
Expected rate of salary increase	3.0% - 8.0%	3.0% - 15.0%
Turnover rate	0.0% - 25.0%	0.0% - 30.0%
Retirement age	55 years and 60 years	55 years and 58 years



Sensitivity analysis on key assumption changes are as follows;

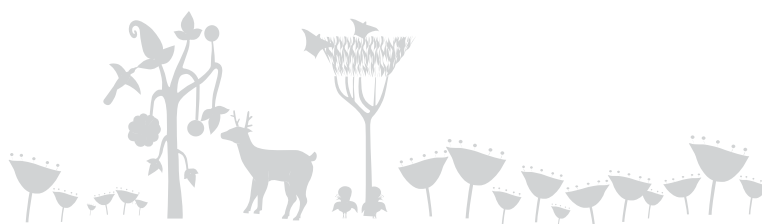
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Discount rate -1.0%	430,781	356,038	262,253	214,053
Discount rate (base)	399,403	327,444	243,102	195,967
Discount rate +1.0%	371,197	302,413	226,298	180,223
Expected rate of salary increase -1.0%	371,359	300,656	226,428	178,621
Expected rate of salary increase (base)	399,403	327,444	243,102	195,967
Expected rate of salary increase +1.0%	429,924	357,529	261,692	215,579
Turnover rate -20.0%	429,668	355,787	263,865	216,679
Turnover rate (base)	399,403	327,444	243,102	195,967
Turnover rate +20.0%	373,987	303,905	226,437	179,027

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Maturity profile of defined benefit obligation.

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Maturity duration of the post-employment benefits (Years)	10 - 12	10 - 12	12	12
Maturity analysis of benefits expected to be paid				
Benefits expected to be paid within 12 months	34,324	8,087	31,207	2,801
Benefits expected to be paid between 1 and 2 years	41,360	59,888	34,808	49,349
Benefits expected to be paid between 2 and 5 years	122,956	121,439	78,838	76,436
Benefits expected to be paid in more than 5 years	1,096,759	925,100	738,615	759,320

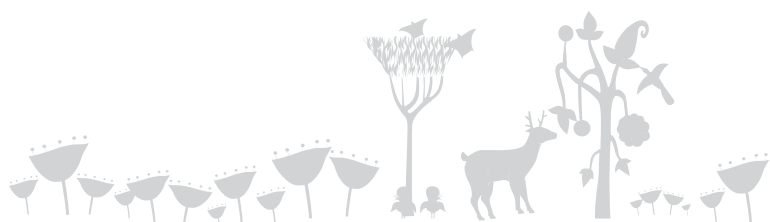


27. Other Accounts Payable

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Margin payables	33,562	-	33,562	-
Insurance premium payables	557,806	467,724	557,806	467,724
Dealer payables	550,328	200,711	550,328	200,711
Other refund payables to customers	11,080	15,477	11,080	12,012
Securities payables	-	438,912	-	438,912
Others	708,980	687,894	603,854	549,932
Total	1,861,756	1,810,718	1,756,630	1,669,291

28. Legal Execution Department Payable

As at 31 December 2015 and 2014, the Bank had an outstanding principal payable to the Legal Execution Department in the amount of Baht 575.38 million in accordance with the order of the Central Bankruptcy Court dated 16 November 2010 which resulted from the breach of contract for bidding a secured property in a bankruptcy case of a Bank's debtor in which the Legal Execution Department demanded for the different amount between the first and final bidding. On 17 January 2014, the Bank has placed with the official receiver a government bond of Baht 575,380,000 together with a letter of acknowledgement of debt, according to the resolution of the meeting of the creditors committee on 6 November 2013. Subsequently, the Bank filed the petition with the official receiver requesting for preferential right over such amount since the Bank is a secured creditor over such secured property. In which the Central Bankruptcy Court dismissed the petition of the Bank. On 18 September 2015, the Bank filed the petition to the Supreme Court. Presently, such order is under the consideration of the Central Bankruptcy Court.



29. Other Liabilities

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Accrued bonus	1,056,014	981,790	562,765	479,584
Accrued expenses	916,264	851,050	726,459	669,710
Front-end fees	350,038	422,811	363,460	422,811
Other income received in advance	2,093,409	2,256,367	2,241,344	2,448,518
Deposits	255,135	222,409	255,136	222,357
Suspense accounts cash received from customers	61,293	77,918	61,199	76,603
Stock subscription payables	-	16,980	-	16,980
Value added tax payable	219,168	379,931	198,721	365,941
Others	122,905	149,255	68,650	48,120
Total other liabilities	5,074,226	5,358,511	4,477,734	4,750,624

30. Share Capital

Details of warrant holders exercising their rights during the year ended 31 December 2015 are as follows:

The 580,100 unit of warrants were converted into 580,100 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 8 January 2015.

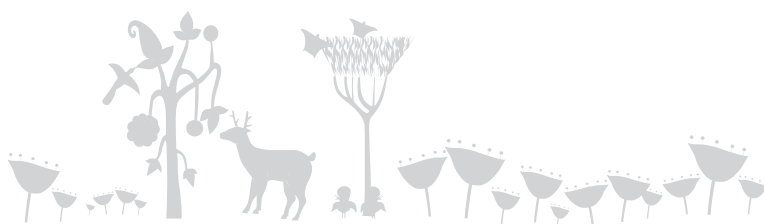
The 1,033,000 unit of warrants were converted into 1,033,000 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 3 April 2015.

The 2,304,450 unit of warrants were converted into 2,304,450 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 7 July 2015.

Thus, during the year ended 31 December 2015, the Bank issued ordinary shares from conversion of warrants totally 3,917,550 ordinary shares or total increase in share capital and premium of Baht 39,175,500 which resulted in the increase in issued and paid up capital as at 31 December 2015 to Baht 8,467,511,090.

Details of warrant holders exercising their rights during the year ended 31 December 2014 are as follows:

The 154,350 unit of warrants were converted into 154,350 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 7 January 2014.



The 856,000 unit of warrants were converted into 856,000 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 2 April 2014.

The 608,350 unit of warrants were converted into 608,350 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 2 July 2014.

The 2,381,750 unit of warrants were converted into 2,381,750 ordinary shares. The Bank registered the increase in share capital with the Ministry of Commerce on 1 October 2014.

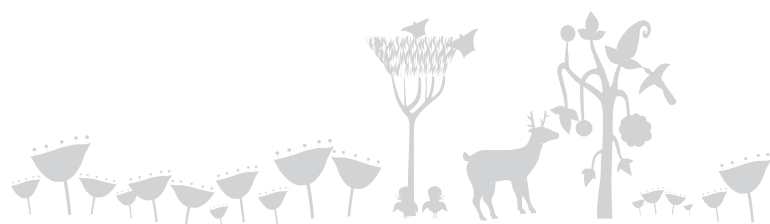
Thus, during the year ended 31 December 2014, the Bank issued ordinary shares from conversion of warrants totally 4,000,450 ordinary shares or total increase in share capital and premium of Baht 40,004,500 which resulted in the increase in issued and paid up capital as at 31 December 2014 to Baht 8,428,335,590.

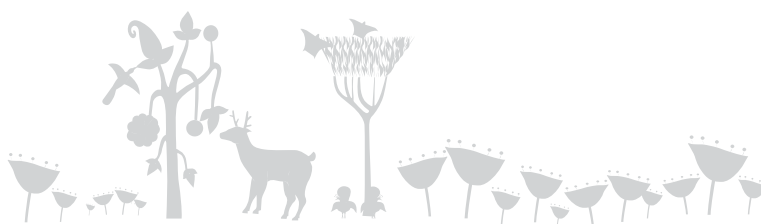
31. Warrants

	As at 1 January 2015			Decrease during the year							As at 31 December 2015		
	Unit	Price per unit	Amount (Thousand Baht)	Exercise (Unit)	Amount (Thousand Baht)	Exercise rate to purchase ordinary share per 1 unit of warrant	Share capital issued during year (Share)	Exercise price	Amount (Thousand Baht)	Expired (Unit)	Unit	Price per unit	Amount (Thousand Baht)
ESOP-W2*	9,365,050	-	-	3,917,550	-	1.00	3,917,550	29.27	114,667	5,447,500	-	-	-
	9,365,050	-	-	3,917,550	-	1.00	3,917,550	29.27	114,667	5,447,500	-	-	-

	As at 1 January 2015			Decrease during the year							As at 31 December 2015		
	Unit	Price per unit	Amount (Thousand Baht)	Exercise (Unit)	Amount (Thousand Baht)	Exercise rate to purchase ordinary share per 1 unit of warrant	Share capital issued during year (Share)	Exercise price	Amount (Thousand Baht)	Expired (Unit)	Unit	Price per unit	Amount (Thousand Baht)
ESOP-W2*	13,365,500	-	-	4,000,450	-	1.00	4,000,450	29.27	117,093	-	9,365,050	-	-
	13,365,500	-	-	4,000,450	-	1.00	4,000,450	29.27	117,093	-	9,365,050	-	-

* ESOP-W2 warrants which are offered to the management and directors of the Bank can be exercised on the 30th of every quarter ended starting from 30 September 2011 to 30 June 2015.





32. Legal Reserve

Under the Public Companies Act, the Bank which is the public company is required to set aside as legal reserve at least 5% of its net profit, net of accumulated deficit brought forward (if any), until the reserve is not less than 10% of the registered capital.

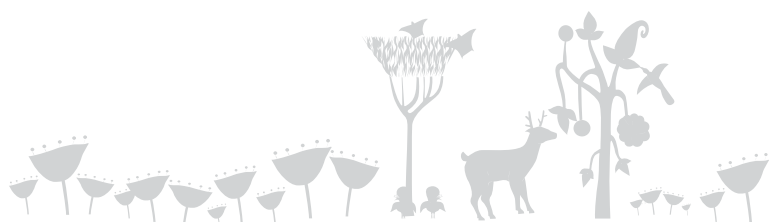
33. Capital Fund

As a result of BASEL II improvement, on 8 November 2012, the Bank of Thailand issued the new supervisory guideline on capital fund for the commercial bank to comply with global regulatory framework (BASEL III) of Basel Committee on Banking Supervision (BCBS) which is effective by phases commencing on 1 January 2013 up to 1 January 2019. During the period 1 January 2013 to 31 December 2015

The minimum capital requirement, the Bank of Thailand as follow;

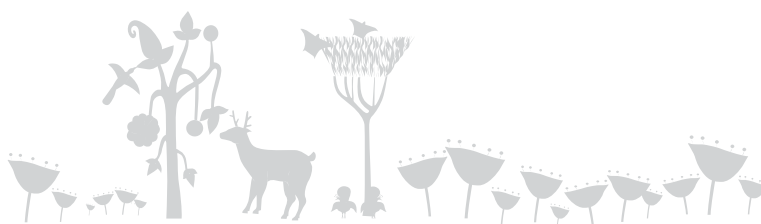
Capital funds	Minimum required by BOT(%)
Common equity tier 1 capital to risk-weighted assets	4.50
Tier 1 capital to risk-weighted assets	6.00
Capital funds to risk-weighted assets	8.50

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



The Bank maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at 31 December 2015 and 2014, the Bank's total capital funds can be categorised as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Tier 1 capital				
Issued and paid-up capital	8,467,511	8,428,336	8,467,511	8,428,336
Share premium	9,356,233	9,280,742	9,356,233	9,280,742
Legal reserve	852,337	852,337	852,337	852,337
General reserve	380	380	380	380
Retained earnings after appropriation	17,430,722	17,182,887	15,171,846	15,163,821
Other reserve and other provisions	(39,297)	(345,458)	129,934	66,521
Non-controlling interests	726	955	-	-
<u>Less</u> Deferred tax assets	(1,463,866)	(994,006)	(1,458,840)	(989,546)
Intangible Assets	(273,985)	(84,666)	(246,934)	(73,622)
Goodwill	(3,066,035)	(3,066,035)	(3,066,035)	(3,066,035)
Investments in equity securities	(165,951)	(210,023)	-	-
Total tier 1 capital	31,098,775	31,045,449	29,206,432	29,662,934
Tier 2 capital	3,953,769	788,656	3,953,735	788,633
Total capital fund	35,052,544	31,834,105	33,160,167	30,451,567



As at 31 December 2015 and 2014, capital adequacy ratios and leverage ratios maintained by the Bank in accordance with the Notification of the BOT are as follows;

Capital funds				
Consolidated		The Bank's		
2015 (%)	2014 (%)	2015 (%)	2014 (%)	
Common equity tier 1 capital to risk-weighted assets	14.71	14.83	14.57	14.78
Tier 1 capital to risk-weighted assets	14.71	14.83	14.57	14.78
Capital funds to risk-weighted assets	16.58	15.20	16.54	15.17

Consolidated		The Bank's		
2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht	
Capital funds less capital add-ons				
Capital funds to risk-weighted assets	35,052,544	31,834,105	33,160,167	30,451,567
Rate of capital funds to risk-weighted assets	16.58	15.20	16.54	15.17

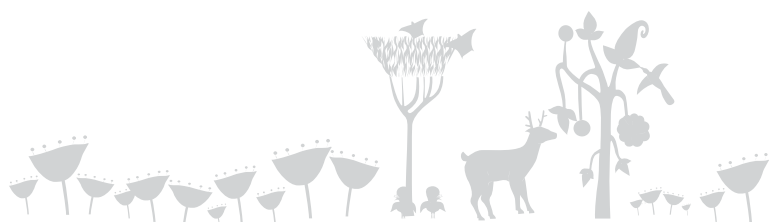
Disclosure of Capital Maintenance information under the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance for Commercial Banks

Location of disclosure : www.kiatnakin.co.th
Date of disclosure : Within April 2016
Information as at : 31 December 2015

34. Dividend Paid

On 24 April 2014, the Annual General Meeting of the Bank's shareholders for the year 2014 approved the resolution regarding the payment of dividend for the year 2013 at the rate of Baht 2.65 per ordinary share, a part of which had been paid as interim dividend at the rate of Baht 1.00 per share on 27 September 2013, amounting to Baht 835,809,659 and the remaining amount will be paid on 23 May 2014 at the rate of Baht 1.65 per share, amounting to Baht 1,385,710,176.

On 28 August 2014, the meeting of the Board of Directors of the Bank No.6/2557 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 0.50 per ordinary share. The dividend was paid on 26 September 2014 amounting to Baht 420,210,355.



On 23 April 2015, the Annual General Meeting of the Bank's shareholders for the year 2015 approved the resolution regarding the payment of dividend for the year 2014 at the rate of Baht 1.85 per ordinary share, a part of which had been paid as interim dividend at the rate of Baht 0.50 per share on 26 September 2014, amounting to Baht 420,210,355 and the remaining amount was paid on 22 May 2015 at the rate of Baht 1.35 per share, amounting to Baht 1,139,881,488.

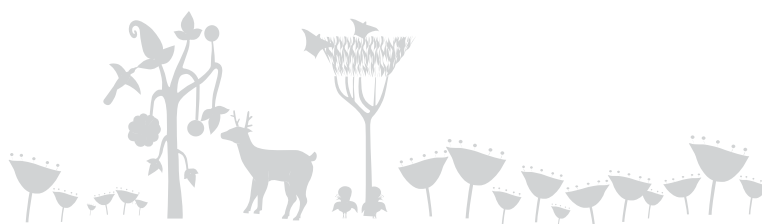
On 27 August 2015, the meeting of the Board of Directors of the Bank No.7/2558 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 1.00 per ordinary share. The dividend was paid on 25 September 2015 amounting to Baht 846,723,108.

35. Other Reserves

Other reserves for the for the year ended 31 December 2015 and 2014 are as follows;

	Consolidated			
	Equity attributable to the Bank's shareholders			
	Other reserves			
	Revaluation surplus (deficit) on investments in receivables Thousand Baht	Revaluation surplus (deficit) available-for-sale securities Thousand Baht	Deferred tax relating to components other comprehensive income Thousand Baht	Surplus on business combination under common control Thousand Baht
Opening balances as at 1 January 2014	1,001,917	(430,583)	12,941	(4,097)
Impact of new accounting standard adoption	-	436,095	(41,549)	(19,991)
Total comprehensive income (expenses)	(8,326)	173,844	(29,514)	(125)
Closing balances as at 31 December 2014	993,591	179,356	(58,122)	(24,213)
Opening balances as at 1 January 2015	993,591	179,356	(58,122)	(24,213)
Total comprehensive income (expenses)	(85,215)	(123,300)	24,275	(190)
Closing balances as at 31 December 2015	908,376	56,056	(33,847)	(24,403)

	The Bank's		
	Other reserves		
	Revaluation surplus (deficit) on investments in receivables Thousand Baht	Revaluation surplus (deficit) available-for-sale securities Thousand Baht	Deferred tax relating to components other comprehensive income Thousand Baht
Opening balances as at 1 January 2014	131,278	99,235	(46,102)
Total comprehensive income (expenses)	(22,955)	116,691	(18,747)
Closing balances as at 31 December 2014	108,323	215,926	(64,849)
Opening balances as at 1 January 2015	108,323	215,926	(64,849)
Total comprehensive income (expenses)	3,228	50,762	(10,798)
Closing balances as at 31 December 2015	111,551	266,688	(75,647)



36. Assets with Obligations and Restrictions

As at 31 December 2015 and 2014, assets with obligations and restrictions of the Group are as stated in Note 18 and government and state enterprise securities with book value of Baht 577.39 million and Baht 577.18 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

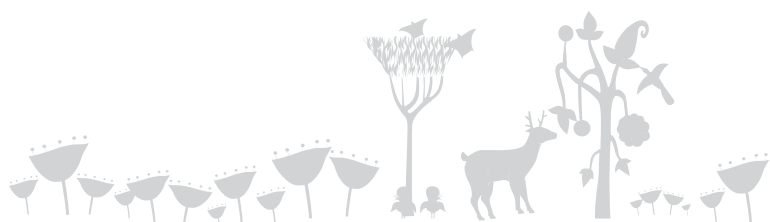
37. Contingencies

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Aval to bills of exchange	1,165,583	381,061	1,165,583	381,061
Letters of credit	6,676	-	6,676	-
Other contingencies				
- Securities issuance guarantee	-	31,680	-	31,680
- Unused overdraft credit facilities	675,279	753,688	2,155,279	1,903,688
- Other guarantee	2,564,084	2,491,074	2,564,084	2,491,074
Total	4,411,622	3,657,503	5,891,622	4,807,503

38. Earnings Per Share

Earnings per share in the consolidated and the Bank's financial statements for the year ended 31 December 2015 and 2014 are calculated as follows;

	Consolidated					
	For the year ended 31 December					
	Profit for the years		Weighted average number of ordinary shares		Earnings per share	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht	2015 Baht	2014 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	3,317,102	2,733,681	845,299	840,518	3.92	3.25
Effect of dilutive securities						
Warrants	-	-	893	2,777		
Diluted earnings per share						
Net profit available to ordinary shareholders plus assumed conversions	3,317,102	2,733,681	846,192	843,295	3.92	3.24



	The Bank's					
	For the year ended 31 December					
	Profit for the years		Weighted average number of ordinary shares		Earnings per share	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht	2015 Baht	2014 Baht
Basic earnings per share						
Net profit available to ordinary shareholders	4,069,423	3,005,644	845,299	840,518	4.81	3.58
Effect of dilutive securities						
Warrants	-	-	893	2,777		
Diluted earnings per share						
Net profit available to ordinary shareholders plus assumed conversions	4,069,423	3,005,644	846,192	843,295	4.81	3.56

39. Information on Quality of Assets

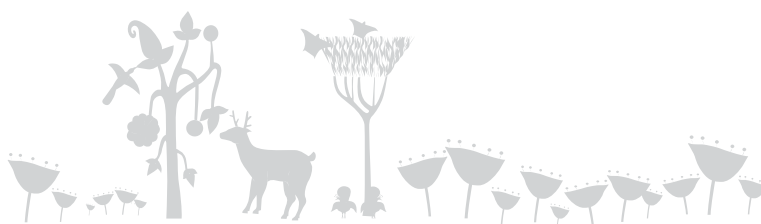
The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2015 and 2014 are as follows;

39.1 Investments in securities

The Bank has investments in debt instruments in companies which were ordered to discontinue their operations and defaulted their debts as at 31 December 2015 and 2014 as follows;

Consolidated and The Bank's financial statements					
Type of investment		Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht
Company which has defaulted on interest payment	Senior securities	1	0.04	-	0.04
		1	0.04	-	0.04

The Bank had recognised impairment loss on such debt instruments in the statement of profit or loss and other comprehensive income in the period when incurred.



39.2 Loans and accrued interest receivables

The Bank had given loans and accrued interest receivables to companies which faced the financial operational difficulties and provided related allowance for doubtful accounts in the consolidated and the Bank's financial statements as follows;

Consolidated and The Bank's				
2015				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht
Listed company being subject to delisting	1	397,719	1,606,995	1,141
Companies which are under default problem	94	6,203,061	10,744,974	1,900,730
	95	6,600,780	12,351,969	1,901,871

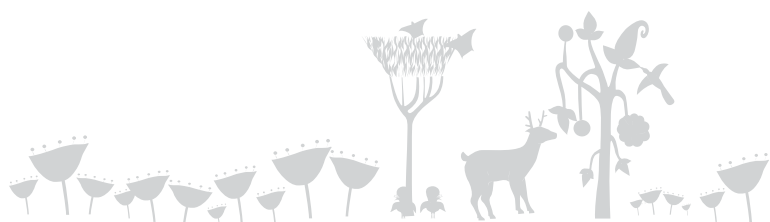
Consolidated and The Bank's				
2014				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht
Listed company being subject to delisting	1	97,117	828,094	224
Companies which are under default problem	89	5,377,942	9,270,677	1,838,613
	90	5,475,059	10,098,771	1,838,837

40. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

According to the BOT's Notification Sor Nor Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated on 18 June 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;



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 enters into the transactions with general customers with the same risk.

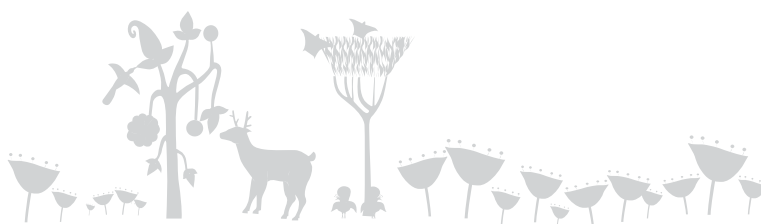
The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

To manage the operation and consolidated supervision, the Board of Directors assigned the Risk Management Committee to take the policy into action, control and monitor business and supporting unit to conform with the Financial Business Group Policy. Moreover, the Board of Directors shall be informed of the significant risk of the Financial Business Group on a regularly basis.

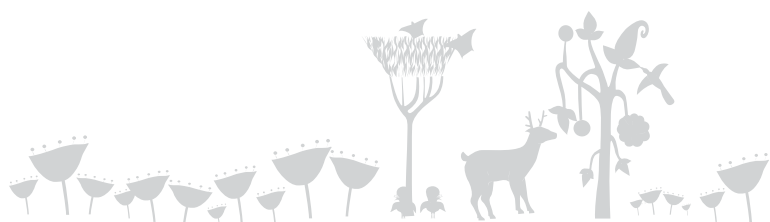
Furthermore, the Risk Management Committee of each company in the Financial Business Group is responsible to perform the risk assessment according to its policy, and report the results to the Bank's Risk Management Committee on a regularly basis. In case there is any significant change or any circumstance that will impact the current business operation, the Risk Management Committee shall report such matters immediately.

40.1 Income

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interest, dividend income and profit sharing				
Subsidiaries				
Phatra Capital PCL.	-	-	585,124	636,505
Phatra Securities PCL.	-	-	842	2,370
KKTRADE Securities Co., Ltd.	-	-	770	2,062
Erawan Law Office Co., Ltd.	-	-	-	34,976
CMIC Development Co., Ltd.	-	-	27,118	12,854
Asia Recovery 1 Fund	-	-	81,263	84,956
Asia Recovery 2 Fund	-	-	-	298,754
Asia Recovery 3 Fund	-	-	95,553	209,940
Thai Restructuring Fund	-	-	49,950	103,859
Bangkok Capital Fund	-	-	1,426,555	574,306
Gamma Capital Fund	-	-	546,202	648,795
Asia Recovery Property Fund 1	-	-	30,506	-
Asia Recovery Property Fund 3	-	-	113,931	59,263
	-	-	2,957,814	2,668,640

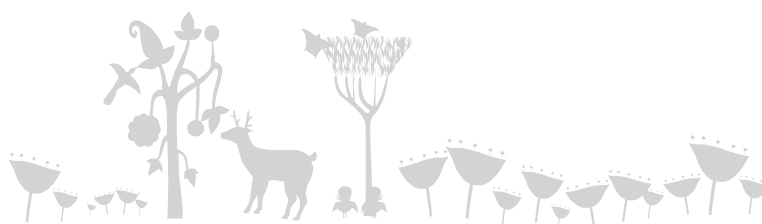


	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Fees and services income				
Subsidiaries				
Phatra Capital PCL.	-	-	3,133	2,228
Phatra Securities PCL.	-	-	11,656	6,593
KKTRADE Securities Co., Ltd.	-	-	5,129	6,349
Phatra Asset Management Co., Ltd.	-	-	5,653	2,338
Erawan Law Office Co., Ltd.	-	-	6,058	5,775
Asia Recovery 1 Fund	-	-	240	240
Asia Recovery 2 Fund	-	-	240	240
Asia Recovery 3 Fund	-	-	240	240
Thai Restructuring Fund	-	-	440	540
Bangkok Capital Fund	-	-	1,304	1,356
Gamma Capital Fund	-	-	1,856	2,184
Directors and management at the position of department head and above including their related persons who have control or significant influences	19,432	17,484	-	-
	19,432	17,484	35,949	28,083
Other operating income				
Subsidiaries				
Phatra Securities PCL.	-	-	25,785	(770)
KKTRADE Securities Co., Ltd.	-	-	4,822	4,766
Asia Recovery 2 Fund	-	-	-	(11,249)
Asia Recovery 3 Fund	-	-	2,377	1,772
Thai Restructuring Fund	-	-	11,281	4,294
Bangkok Capital Fund	-	-	7,008	32,305
Gamma Capital Fund	-	-	14,940	(1,753)
Asia Recovery Property Fund 3	-	-	12,979	-
	-	-	79,192	29,365



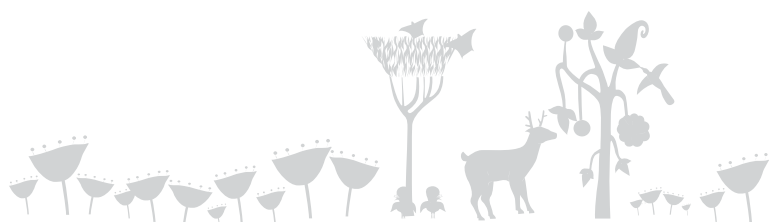
40.2 Expenses

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interest and discounts on borrowings				
Subsidiaries				
Phatra Securities PCL.	-	-	3,275	7,935
KKTRADE Securities Co., Ltd.	-	-	28,241	31,863
Erawan Law Office Co., Ltd.	-	-	209	161
CMIC Development Co., Ltd.	-	-	163	228
Bangkok Capital Fund	-	-	8	6
Gamma Capital Fund	-	-	12	8
Directors and management at the position of department head and above including their related persons who have control or significant influences	8,737	12,848	8,737	12,848
	8,737	12,848	40,645	53,049
Other service expenses				
Subsidiaries				
Phatra Capital PCL.	-	-	97,627	78,070
Phatra Securities PCL.	-	-	28,769	9,796
Erawan Law Office Co., Ltd.	-	-	85,500	81,000
CMIC Development Co., Ltd.	-	-	133,058	122,771
Other related parties	72,589	77,464	72,589	77,464
	72,589	77,464	417,543	369,101

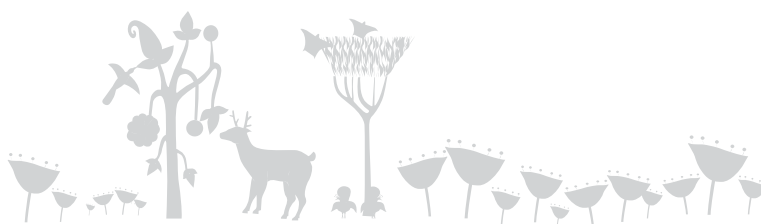


40.3 Outstanding balances

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Loans to financial institutions / Loans				
Subsidiaries				
Phatra Capital PCL.	-	-	1,500,000	1,350,000
Phatra Securities PCL.	-	-	1,400,000	-
CMIC Development Co., Ltd.	-	-	974,750	140,000
Less Allowance of doubtful accounts	-	-	(132,180)	(116,680)
Directors and management at the position of department head and above including their related persons who have control or significant influences	2,281	-	2,281	-
	2,281	-	3,744,851	1,373,320
Accrued interest receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	5,128	444
CMIC Development Co., Ltd.	-	-	280	-
	-	-	5,408	444
Other accounts receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	2,317	557
Phatra Securities PCL.	-	-	5,484	2,773
KKTRADE Securities Co., Ltd.	-	-	390	112
Phatra Asset Management Co., Ltd.	-	-	374	198
Erawan Law Office Co., Ltd.	-	-	1	47
	-	-	8,566	3,687
Derivative assets				
Subsidiaries				
Phatra Securities Co., Ltd.	-	-	27,140	425
	-	-	27,140	425
Other assets				
Subsidiaries				
CMIC Development Co., Ltd.	-	-	48,581	49,681
	-	-	48,581	49,681



	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Deposits				
Subsidiaries				
Phatra Securities PCL.	-	-	1,573	202
KKTRADE Securities Co., Ltd.	-	-	147,008	55,649
Erawan Law Office Co., Ltd.	-	-	59,949	38,475
Bangkok Capital Fund	-	-	252,250	19,026
Gamma Capital Fund	-	-	137,451	50,187
CMIC Development Co., Ltd.	-	-	4,321	17,585
Directors and management at the position of department head and above including their related persons who have control or significant influences	522,114	411,942	522,114	411,942
	522,114	411,942	1,124,666	593,066
Borrowings				
Subsidiaries				
Phatra Securities PCL.	-	-	-	200,000
KKTRADE Securities Co., Ltd.	-	-	30,000	60,000
	-	-	30,000	260,000
Derivatives liabilities				
Subsidiaries				
Phatra Securities PCL.	-	-	101	1,195
	-	-	101	1,195
Accrued interest expenses				
Subsidiaries				
KKTRADE Securities Co., Ltd.	-	-	2,774	5,748
	-	-	2,774	5,748
Other liabilities				
Subsidiaries				
Phatra Capital PCL	-	-	74,461	56,366
Phatra Securities PCL.	-	-	26,150	8,751
KKTRADE Securities Co., Ltd.	-	-	4	-
CMIC Development Co., Ltd.	-	-	7,559	2,828
Other related parties	4,273	8,363	4,273	8,363
	4,273	8,363	112,447	76,308



41. Benefits Paid to Directors and Executives

The Bank has no special benefits given to the directors and executives beyond the general benefits provided such as directors' remuneration, executives' salary and bonus (if any) included ESOP warrants.

For the year ended 31 December 2015 and 2014, compensations paid to key management personnel are as follows;

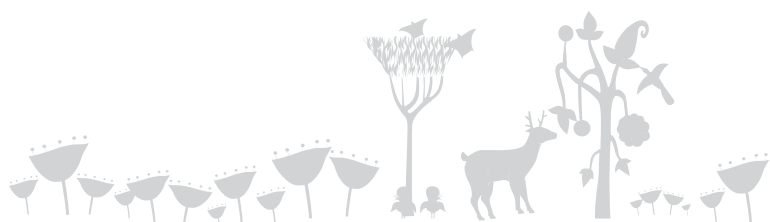
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Short-term employee benefits	344,517	285,176	200,167	175,735
Post-employment benefits	5,724	7,420	2,615	4,470
Total	350,241	292,596	202,782	180,205

42. Operating Lease Commitments

As at 31 December 2015 and 2014, the Group has operating lease commitments in respect of vehicles, office space, computer software and maintenance, and office equipment expenses from the statements of financial position dates as follows;

	Consolidated			
	2015			
	Vehicle rental expenses Thousand Baht	Office rental expenses Thousand Baht	Computer software and office equipment expenses Thousand Baht	Total Thousand Baht
Within the first year	912	146,023	1,250	148,185
Within the second year	-	114,751	1,310	116,061
Over three years	-	47,270	507	47,777
Total	912	308,044	3,067	312,023

	Consolidated			
	2014			
	Vehicle rental expenses Thousand Baht	Office rental expenses Thousand Baht	Computer software and office equipment expenses Thousand Baht	Total Thousand Baht
Within the first year	1,703	104,759	4,177	110,639
Within the second year	912	79,089	143	80,144
Over three years	-	38,301	41	38,342
Total	2,615	222,149	4,361	229,125



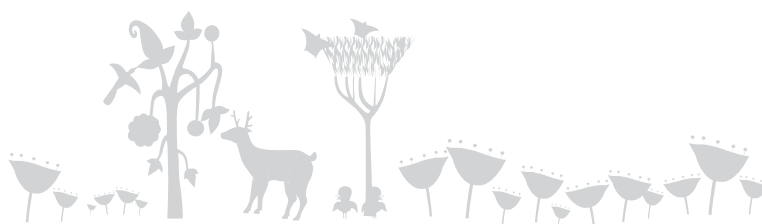
	The Bank's		
	2015		
	Office rental expenses Thousand Baht	Computer software expenses Thousand Baht	Total Thousand Baht
Within the first year	131,166	-	131,166
Within the second year	101,942	-	101,942
Over three years	47,224	-	47,224
Total	280,332	-	280,332

	The Bank's		
	2014		
	Office rental expenses Thousand Baht	Computer software expenses Thousand Baht	Total Thousand Baht
Within the first year	151,510	3,633	155,143
Within the second year	105,031	-	105,031
Over three years	88,047	-	88,047
Total	344,588	3,633	348,221

43. Operating Segments

The Bank discloses operating segments information in accordance with the Thai Financial Reporting Standard No.8 "Operating Segments" and under the same basis as internal management reports presented to the Bank's chief operating decision maker for resources allocation to and performance evaluation of various segments. Accordingly, the Bank has divided reportable segments in accordance with the new structure of the Kiatnakin Phatra Financial Group and characteristics of segments operating in significantly diverse environment. These operating segments are; Commercial Banking Business, Capital Market Business, and the Debt Restructuring Segment under the Commercial Banking Business. Details of each operating segment are as follows;

- Commercial banking business consists of all commercial banking business and CMIC Development Co., Ltd. except for the Debt restructuring segment
- Capital market business consists of Phatra Capital PCL., Phatra Securities PCL., KKTRADE Securities Co., Ltd., and Phatra Asset Management Co., Ltd.
- The Debt restructuring segment

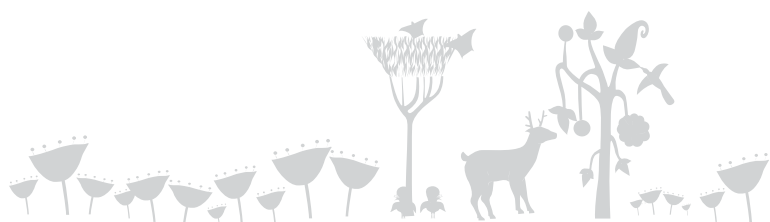


Assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard as adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs and income between segments. Transactions between segments are eliminated on consolidation.

43.1 Operation result

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the year ended 31 December 2015 and 2014 are as follows;

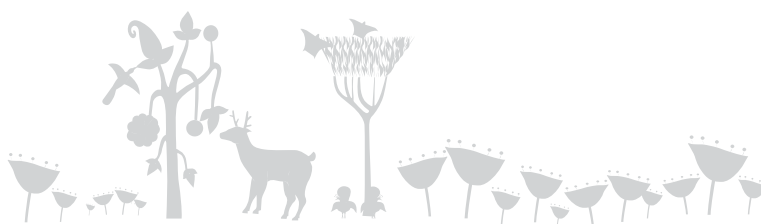
	Consolidated			
	2015			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	8,992	4	453	9,449
Fees and services income, net	1,661	1,806	4	3,471
Other operating income, net	680	1,237	220	2,137
Total income from operating	11,333	3,047	677	15,057
Income between segments	3,233	159	14	3,406
Depreciation and amortisation	284	127	7	418
Other expenses	6,023	1,729	(348)	7,404
Total other operating expenses	6,307	1,856	(341)	7,822
Impairment loss of loans and debt securities (Reversal)	3,376	-	(168)	3,208
Profit from operating before income tax expenses	1,650	1,191	1,186	4,027
Income tax expenses	219	236	146	601
Net Income	1,431	955	1,040	3,426



Consolidated				
2014				
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	8,449	(57)	521	8,913
Fees and services income, net	1,561	1,885	6	3,452
Other operating income, net	465	1,075	7	1,547
Total income from operating	10,475	2,903	534	13,912
Income between segments	2,987	118	17	3,122
Depreciation and amortisation	315	120	7	442
Other expenses	5,959	1,616	(467)	7,108
Total other operating expenses	6,274	1,736	(460)	7,550
Impairment loss of loans and debt securities	3,131	1	67	3,199
Profit from operating before income tax expenses	1,070	1,166	927	3,163
Income tax expenses	21	232	131	384
Net Income	1,049	934	796	2,779

Total assets classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment

	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
As at 31 December 2015	205,310	23,587	7,247	236,144
As at 31 December 2014	214,413	19,484	7,256	241,153



43.2 Reconciliation operating segments information

Reconciliation between consolidated income from all segments and income and reconciliation between consolidated profit from all segments and profit from operating before income tax expenses for the year ended 31 December 2015 and 2014 are as follows;

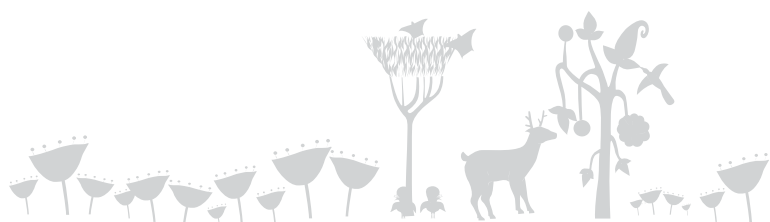
	Consolidated	
	2015 Million Baht	2014 Million Baht
Income		
Consolidated income from all segments	18,463	17,034
Elimination of inter-segment income	(3,406)	(3,122)
Total income	15,057	13,912
Profit		
Consolidated profit from all segments	4,027	3,163
Elimination of inter-segment profit	-	-
Profit from operating before income tax expenses	4,027	3,163

Reconciliation between consolidated assets from all segments and total assets as at 30 June 2015 and 31 December 2015 and 2014 are as follows;

	Consolidated	
	2015 Million Baht	2014 Million Baht
Assets		
Consolidated assets from all segments	236,144	241,153
Elimination of inter-segment assets	-	-
Total assets	236,144	241,153

During the year ended 31 December 2015 and 2014, there is no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

The Bank and its subsidiaries operate in Thailand only. As a result, all of the revenues, profits and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

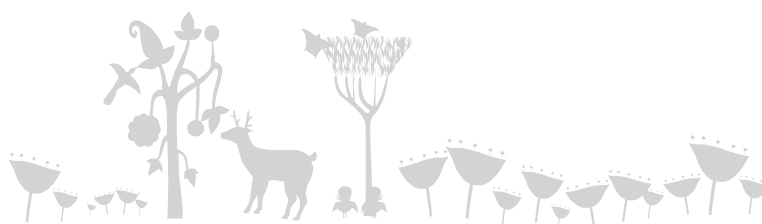


44. Important Positions and Performance Classified by Type of Domestic or Foreign Transactions

44.1 Position classified by type of transaction

	Consolidated					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	233,724,652	2,419,588	236,144,240	239,398,217	1,754,510	241,152,727
Interbank and money market items, net	9,684,952	116,209	9,801,161	6,983,980	23,204	7,007,184
Investments	20,005,102	285,338	20,290,440	28,478,175	810,476	29,288,651
Loan to customer and accrued interest receivables, net	165,832,956	3,523,470	169,356,426	174,723,075	2,733,777	177,456,852
Deposits	104,326,899	-	104,326,899	132,297,166	-	132,297,166
Interbank and money market items	9,209,441	-	9,209,441	9,795,069	-	9,795,069
Debt issued and borrowings	61,084,916	-	61,084,916	42,771,534	-	42,771,534

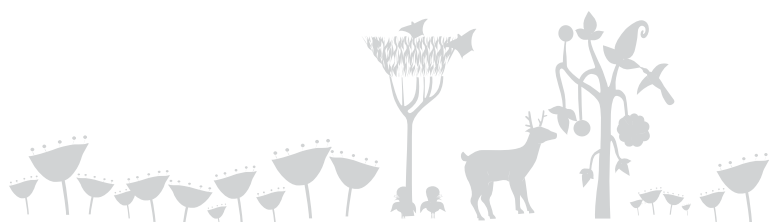
	The Bank's					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	219,809,379	1,662,288	221,471,667	225,965,312	1,395,352	227,360,664
Interbank and money market items, net	8,563,404	100,822	8,664,226	3,730,300	1,200	3,731,500
Investments	15,013,831	-	15,013,831	21,448,322	631,645	22,079,967
Loan to customer and accrued interest receivables, net	168,018,759	3,523,470	171,542,229	175,582,509	2,733,777	178,316,286
Deposits	104,780,870	-	104,780,870	132,422,439	-	132,422,439
Interbank and money market items	9,118,022	-	9,118,022	10,110,915	-	10,110,915
Debt issued and borrowings	59,425,078	-	59,425,078	40,362,078	-	40,362,078



44.2 Performance classified by type of transaction

	Consolidated					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	14,702,291	74,080	14,776,371	15,864,038	65,295	15,929,333
Interest expenses	5,327,821	-	5,327,821	7,015,905	-	7,015,905
Net interest income	9,374,470	74,080	9,448,550	8,848,133	65,295	8,913,428
Net fee and service income	3,177,121	294,240	3,471,361	3,127,912	324,461	3,452,373
Other operating income	1,913,116	223,937	2,137,053	1,446,083	100,253	1,546,336
Other operating expenses	11,021,917	7,923	11,029,840	10,741,370	7,434	10,748,804
Profit (loss) from continuing operation before income	3,442,790	584,334	4,027,124	2,680,758	482,575	3,163,333

	The Bank's					
	2015			2014		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	14,186,997	73,845	14,260,842	15,392,706	65,215	15,457,921
Interest expenses	5,254,679	-	5,254,679	6,929,884	-	6,929,884
Net interest income	8,932,318	73,845	9,006,163	8,462,822	65,215	8,528,037
Net fee and service income	1,675,366	-	1,675,366	1,619,814	-	1,619,814
Other operating income	3,313,338	158,013	3,471,351	2,373,221	36,825	2,410,046
Other operating expenses	9,742,269	7,923	9,750,192	9,427,727	7,434	9,435,161
Profit (loss) from continuing operation before income	4,178,753	223,935	4,402,688	3,028,130	94,606	3,122,736



45. Interest Income

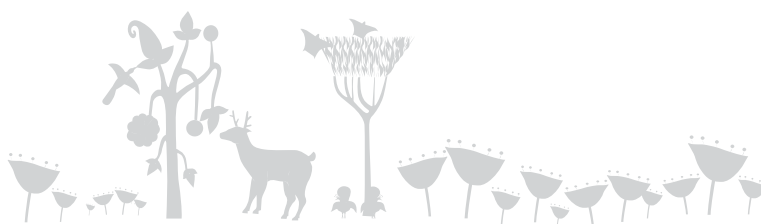
Interest income for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interbank and money market items	134,756	262,847	67,582	169,534
Investment in debt securities	578,694	616,856	487,213	532,511
Investment in receivables	534,379	606,138	95,384	213,862
Loans	4,618,630	4,699,973	4,700,751	4,798,495
Hire-purchase and financial leases	8,909,912	9,743,519	8,909,912	9,743,519
Total interest income	14,776,371	15,929,333	14,260,842	15,457,921

46. Interest Expenses

Interest expenses for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Deposits	3,061,618	4,514,515	3,062,009	4,514,921
Interbank and money market items	94,407	96,464	122,744	128,677
Contributions to Financial Institution Development Fund and Deposit Protection Agency	778,815	880,690	778,814	880,690
Debt issued				
- Senior securities	1,269,438	1,296,625	1,269,438	1,296,625
- Subordinated bond	3,773	-	3,773	-
- Others	55,228	164,029	11,806	98,451
Fees and charges on borrowings	2,956	2,938	6,095	10,520
Others	61,586	60,644	-	-
Total interest expenses	5,327,821	7,015,905	5,254,679	6,929,884



47. Fees and Services Income, Net

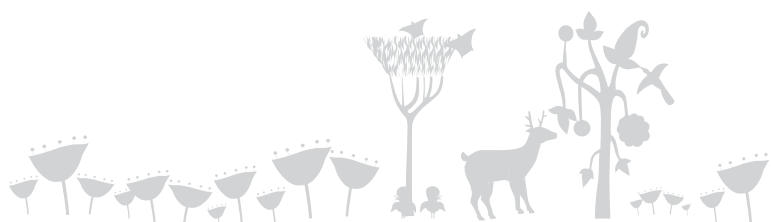
Fees and services income, net for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Fees and services income				
- Brokerage fees	1,639,373	1,802,136	-	-
- Bancassurance fees	891,115	865,738	891,116	865,738
- Acceptance, avals and guarantees	48,356	62,873	48,632	63,177
- Others	1,355,116	1,132,454	867,876	834,490
Total fees and services income	3,933,960	3,863,201	1,807,624	1,763,405
Fees and services expenses				
- Security management fees	293,467	213,538	-	-
- Others	169,132	197,290	132,258	143,591
Total fees and services expenses	462,599	410,828	132,258	143,591
Fees and services income, net	3,471,361	3,452,373	1,675,366	1,619,814

48. Gain (loss) on Trading and Foreign Exchange Transactions, Net

Gain (loss) on trading and foreign exchange transactions, net for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Gain (loss) on trading and foreign exchange transactions				
- Foreign exchange	(49,571)	(23,349)	(62,043)	(24,908)
- Debt securities	99,599	122,662	97,695	121,797
- Equity securities	337,201	(354,101)	(202,576)	-
- Derivatives	490,218	828,514	207,534	(57,314)
Total	877,447	573,726	40,610	39,575



49. Gain (loss) on Investments, Net

Gain (loss) on investments, net for the years ended 31 December 2015 and 2014 are as follows;

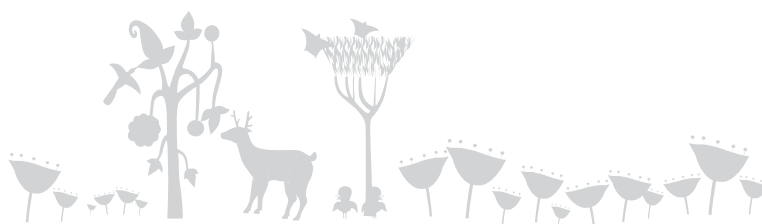
	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Gain (loss) on sale of				
- Available-for-sale investments	334,570	262,285	272,749	23,561
- General investments	181	(4)	181	5
- Investments in subsidiaries	-	-	46,898	25,370
Total	334,751	262,281	319,828	48,936
Reversal (loss) on impairment of				
- General investments	999	(831)	326	(139)
- Investments in subsidiaries	-	-	(251,696)	(542,461)
Total	999	(831)	(251,370)	(542,600)
Total gain (loss) on investments, net	335,750	261,450	68,458	(493,664)

The Bank recognised loss on impairment due to the carrying value less than the fair value.

50. Other Operating Income

Other operating income for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Penalty income	266,995	256,678	266,859	256,443
Profit from sales of fixed assets	10,550	8,847	10,548	8,607
Other income	325,065	167,303	123,157	7,894
Total other operating income	602,610	432,828	400,564	272,944



51. Other Expenses

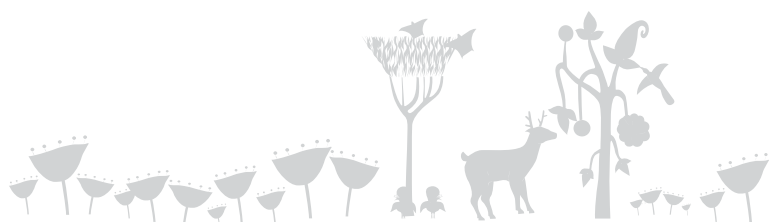
Other expenses for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Repossessed cars expenses	199,887	157,275	199,887	157,275
Properties foreclosed expenses	43,389	66,807	43,389	66,807
Transportation expenses	142,633	156,005	117,249	131,257
Advertising and promotion expenses	420,182	382,096	393,099	360,826
Management fee of Mutual funds	12,324	13,164	-	-
Other intangible assets expenses	83,074	77,533	63,203	55,485
Other expenses	522,541	460,342	487,104	443,465
Total other expenses	1,424,030	1,313,222	1,303,931	1,215,115

52. Impairment Loss on Loans and Debt Securities

Impairment loss on loans and debt securities for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Interbank and money market items	(1,000)	(2,000)	13,000	(2,000)
Loans	3,831,115	3,488,294	3,729,609	3,487,419
Loss for restructuring	102,316	-	102,316	-
Loss on revaluation and impairment of investments in receivables	20,858	86,320	27,608	79,236
Loss on impairment of investment in receivables	36	-	36	-
Gain from transferring investments in receivables to loans	(28,788)	(1,762)	(28,788)	(1,762)
	3,924,537	3,570,852	3,843,781	3,562,893
<u>Less</u> Bad debts recovered from loans and hire purchase receivables	(697,691)	(367,155)	(697,691)	(367,155)
Bad debts recovered from investments in receivables	(18,872)	(4,854)	(18,872)	(4,854)
Total	3,207,974	3,198,843	3,127,218	3,190,884



53. Income Tax Expenses

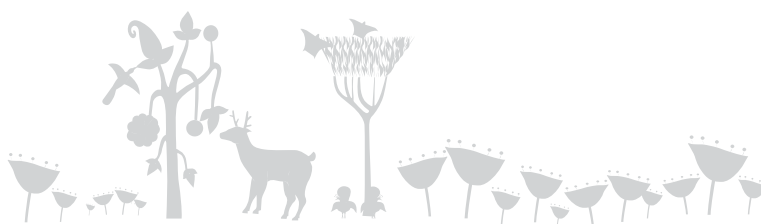
Income tax expenses for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated		The Bank's	
	2015 Thousand Baht	2014 Thousand Baht	2015 Thousand Baht	2014 Thousand Baht
Current income tax for the period	1,038,957	665,155	793,556	341,781
Adjustment in respect of current income tax of previous period	8,904	10,883	9,004	11,126
Deferred tax	(446,288)	(291,674)	(469,295)	(235,815)
Total income tax expenses	601,573	384,364	333,265	117,092

Reconciliation of effective tax rate for the years ended 31 December 2015 and 2014.

	Consolidated	
	2015 Thousand Baht	2014 Thousand Baht
Profit before income tax expenses	4,027,124	3,163,333
Tax calculated at a tax rate of 20%	805,425	632,666
Adjustment in respect of current income tax of previous period	8,904	10,883
Income not subjected to tax	(263,517)	(258,954)
Expenses not deductible for tax purpose	50,761	(231)
Income tax expenses as statements of profit or loss and other comprehensive income	601,573	384,364

	The Bank's	
	2015 Thousand Baht	2014 Thousand Baht
Profit before income tax expenses	4,402,688	3,122,736
Tax calculated at a tax rate of 20%	880,538	624,547
Adjustment in respect of current income tax of previous period	9,004	11,126
Income not subjected to tax	(583,808)	(512,156)
Expenses not deductible for tax purpose	27,531	(6,425)
Income tax expenses as statements of profit or loss and other comprehensive income	333,265	117,092



The weighted average income tax rate for the year ended 31 December 2015 was 14.94% and 7.57% in the consolidated and the bank's financial statements respectively (2014 : 12.15% and 3.75%) respectively.

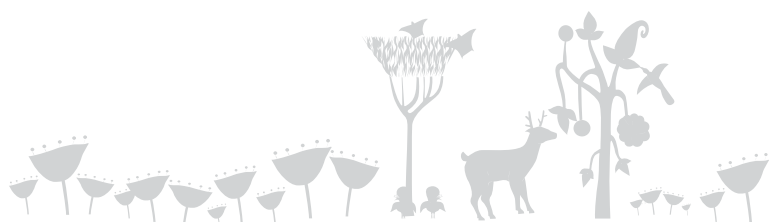
The weighted average income tax rate for the consolidated financial statements mainly changed from impairment losses on investment and gain (losses) from sold properties foreclosed transactions. The weighted average income tax rate for the Bank's financial statements mainly changed from dividend received transactions.

54. Income Tax Relating to Components of Other Comprehensive Income (loss)

Income tax relating to components of other comprehensive income (loss) for the years ended 31 December 2015 and 2014 are as follows;

	Consolidated					
	2015			2014		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	(84,279)	(646)	(84,925)	(4,407)	4,591	184
Gain (loss) on remeasuring available-for-sale securities	(123,348)	24,936	(98,412)	173,867	(34,110)	139,757
Remeasurments of post-employment benefit obligations	(16,596)	2,689	(13,907)	9,714	(1,731)	7,983
Other comprehensive income (loss)	(224,223)	26,979	(197,244)	179,174	(31,250)	147,924

	The Bank's					
	2015			2014		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	3,228	(646)	2,582	(22,955)	4,591	(18,364)
Gain (loss) on remeasuring available-for-sale securities	50,762	(10,152)	40,610	116,691	(23,338)	93,353
Remeasurments of post-employment benefit obligations	(7,653)	1,531	(6,122)	-	-	-
Other comprehensive income (loss)	46,337	(9,267)	37,070	93,736	(18,747)	74,989



55. Fair Value

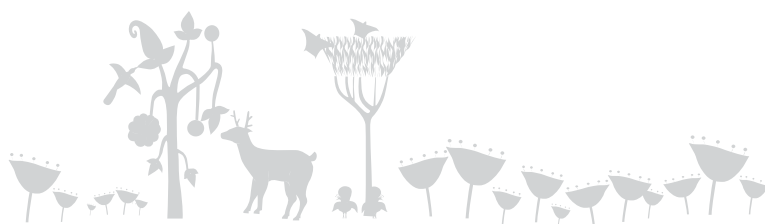
55.1 Fair value estimation

The fair value of the financial instruments are defined into the following three different levels by valuation method as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

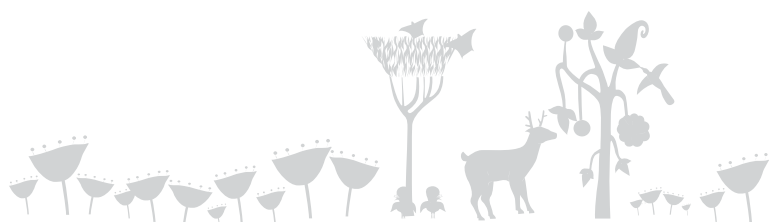
The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015.

Consolidated					
2015					
Carrying amount Thousand Baht	Fair value				Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht		
Assets					
Derivatives assets	-	1,756,965	-		1,756,965
Trading securities					
Government and state enterprise securities	-	359,666	-		359,666
Private sector's debt securities	-	418,206	-		418,206
Domestic marketable equity securities	5,532,917	-	-		5,532,917
Foreign marketable equity Securities	2,313	-	-		2,313
Available-for-sale securities					
Government and state enterprise securities	-	10,383,212	-		10,383,212
Domestic marketable equity securities	2,273,626	-	-		2,273,626
Foreign marketable equity security	283,025	-	-		283,025
Investments in receivables, net	-	-	2,898,694		2,898,694
Total assets	8,091,881	12,918,049	2,898,694		23,908,624
Liabilities					
Derivatives liabilities	-	2,583,953	-		2,583,953
Total liabilities	-	2,583,953	-		2,583,953



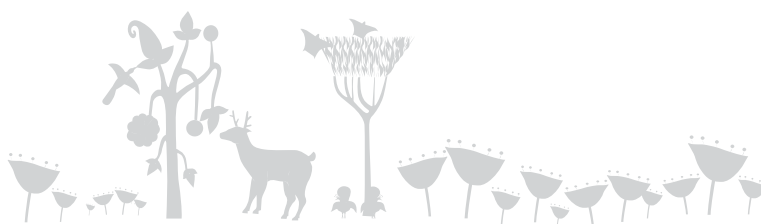
The Bank's					
2015					
	Carrying amount Thousand Baht	Fair value			
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Assets					
Derivatives assets	1,703,010	-	1,703,010	-	1,703,010
Trading securities					
Government and state enterprise securities	359,666	-	359,666	-	359,666
Private sector's debt securities	418,206	-	418,206	-	418,206
Domestic marketable equity securities	1,522,294	1,522,294	-	-	1,522,294
Available-for-sale securities					
Government and state enterprise securities	10,352,438	-	10,352,438	-	10,352,438
Domestic marketable equity securities	1,342,236	1,342,236	-	-	1,342,236
Investments in receivables, net	901,876	-	-	901,876	901,876
Total assets	16,599,726	2,864,530	12,833,320	901,876	16,599,726
Liabilities					
Derivatives liabilities	2,336,469	-	2,336,469	-	2,336,469
Total liabilities	2,336,469	-	2,336,469	-	2,336,469

There was no transfers between Levels 1 and 2 during the year.



The following table presents the Group's financial assets and liabilities that are not measured at fair value at 31 December 2015.

	Consolidated				
	2015				
	Carrying amount Thousand Baht	Fair value			
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Assets					
Interbank and money market items, net	9,801,161	9,801,161	-	-	9,801,161
Loans to customers and accrued interest receivables, net	169,356,426	-	169,837,409	-	169,837,409
Held-to-maturity securities	1,004,840	-	1,077,271	-	1,077,271
General investment	32,635	-	-	206,826	206,826
Account receivable from clearing house	1,030,855	-	1,030,855	-	1,030,855
Securities and derivative business receivables	14,463,306	-	14,463,306	-	14,463,306
Total assets	195,689,223	9,801,161	186,408,841	206,826	196,416,828
Liabilities					
Deposits	104,326,899	-	104,588,591	-	104,588,591
Interbank and money market items, net	9,209,441	9,209,441	-	-	9,209,441
Liabilities payable on demands	388,583	-	388,583	-	388,583
Debt issued and borrowings	61,084,916	-	61,474,123	-	61,474,123
Accounts payable to clearing house	1,097,742	-	1,097,742	-	1,097,742
Securities and derivative business payables	9,816,958	-	9,816,958	-	9,816,958
Accrued interest payable	721,953	-	721,953	-	721,953
Total liabilities	186,646,492	9,209,441	178,087,950	-	187,297,391



The Bank's					
2015					
	Carrying amount Thousand Baht	Fair value			
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Assets					
Interbank and money market items, net	8,664,226	8,664,226	-	-	8,664,226
Loans to customers and accrued interest receivables, net	171,542,229	-	172,023,212	-	172,023,212
Held-to-maturity securities	1,004,840	-	1,077,271	-	1,077,271
General investment	14,151	-	-	188,342	188,342
Total assets	181,225,446	8,664,226	173,100,483	188,342	181,953,051
Liabilities					
Deposits	104,780,870	-	105,042,562	-	105,042,562
Interbank and money market items, net	9,118,022	9,118,022	-	-	9,118,022
Liabilities payable on demands	390,693	-	390,693	-	390,693
Debt issued and borrowings	59,425,078	-	59,814,285	-	59,814,285
Accrued interest payable	724,728	-	724,728	-	724,728
Total liabilities	174,439,391	9,118,022	165,972,268	-	175,090,290

There was no transfers between Levels 1 and 2 during the year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes saving deposits and current deposits presented as both interbank and money market assets and liabilities items, account receivable from clearing house, securities and derivative business receivables saving deposits and current deposits, liabilities payable on demand, account payable to cleaning house and securities and derivative business payables.

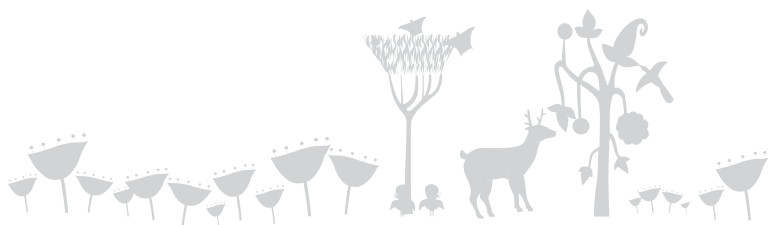
Fair value of the following assets and liabilities is estimated for the purpose of disclosure as described below;

Loans to customers and accrued interest receivable, net

For floating rate loans, the fair value is equal to the carrying amount.

For fixed rate loans which are classified as normal or special mentioned, the fair value is equal to the present value of future cash flows discounted by the effective interest of loans with similar features.

For non-performing fixed rate loans, the fair value is equal to the carrying amount.



Interbank and money market items

The interbank and money market items (assets) are loans to financial institutions which are short-term or at call. Accordingly, their carrying amount is a reasonable approximation of fair value. The interbank and money market items (liabilities) are borrowing and fixed deposits which are short-term. Accordingly, their carrying amount is a reasonable approximation of fair value.

Deposits

For saving and current deposits, the fair value is estimated by using carrying amount.

For fixed deposits and certificate of deposit, the fair value is estimated by using discounted cash flow applying current rates offered for fixed deposits of similar remaining maturities.

Debt issued and borrowings

The fair value of debt issued and borrowings is estimated by using quoted prices or yields of the Thai Bond Association at the statement of financial positions.

Accrued interest payable

The carrying amount of accrued interest payable in the statement of financial positions approximates to fair value.

Held-to-maturity investment

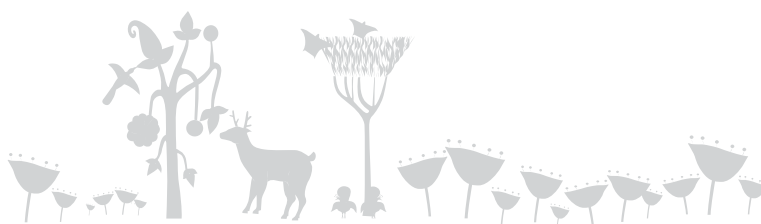
The fair value of held-to-maturity is estimated by using quoted prices or yields of the Thai Bond Association at the statement of financial positions.

General investments

The fair value of general investments, where quoted market prices at the statement of financial positions date are not available, is determined by Price-to-book value ratio valuation model (PBV). The model is product of the book value of the general investment and price-to-book value ratio of similar industry instruments, where quoted market prices are available.

55.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts and foreign exchange swaps which are fair valued based on forward rate of foreign currency against Thai Baht and discounted with Thai Baht interest rate. Interest rate swap and cross currency swap are fair valued based on the cash flows from contract rate (for fixed interest rate) or forward rate (for floating rate) and discounted with interest rate in each currency which can be obtained from observable market.



The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the credit value adjustment ('CVA').

Level 2 debt investments of marketable securities are fair valued based on yield curve of the Thai Bond Market Association under discounted cash flow model.

55.3 Fair value measurements using significant unobservable inputs (Level 3)

	Investments in receivables, net	
	Consolidated Thousand Baht	The bank's Thousand Baht
Opening balance at 1 January 2015	3,302,756	968,743
Transfer out or repayment	(405,323)	(148,883)
Gain recognised in profit and loss	85,540	78,788
Gain (loss) recognised in other comprehensive income	(84,279)	3,228
Closing balance at 31 December 2015	2,898,694	901,876

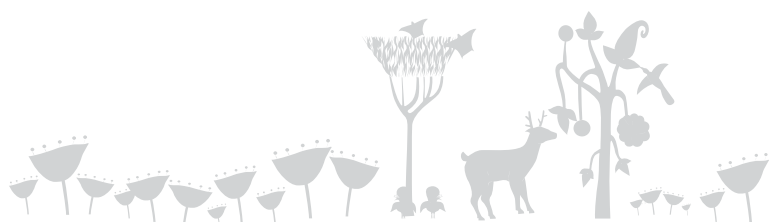
There was no changes in fair value basis and estimation during the year.

55.4 Group's valuation processes

The main Level 3 input used by the Group pertains to the estimated discounted cash flow projections of expected cash receive from debtor and selling of collateral with the expected selling period but not exceeding the balance in the original contract. The discount rate is estimated based on current market assessments of the time value of money, risk adjusted and in line with the related BOT's notification which are at the rates between 7% to 18% per annum.

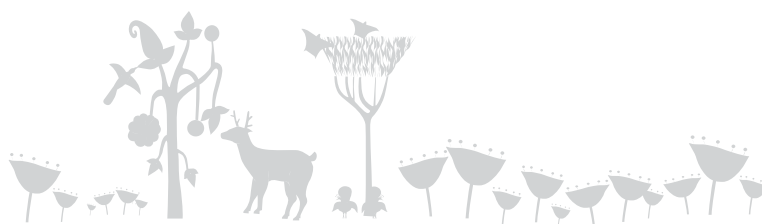
The discount rate used to compute the fair value is 7% to 18% per annum. If the change in the discount rate shifted + 1 or - 1%, the impact on profit or loss would be decrease Baht 52 million or increase Baht 86 million and decrease Baht 25 million or increase Baht 26 million in the consolidated and the bank's interim financial statements, respectively.

Asset Quality Management Department reviews fair value of assets at the end of each month by using fair value of collaterals. The collaterals are appraised every 3 years and uses the discount rate announced by the BOT regulations.



The fair value of financial instruments as at 31 December 2014 are as follows;

	Consolidated	
	2014	
	Carrying amount Thousand Baht	Fair value Thousand Baht
Financial assets		
Cash	1,301,090	1,301,090
Interbank and money market items, net	7,007,184	7,007,184
Derivatives assets	1,112,589	1,112,589
Investments in securities, net	29,288,651	30,525,918
Investments in receivables, net	3,302,756	3,302,756
Investments in properties, net	423,468	423,468
Loans to customers and accrued interest receivables, net	177,456,852	177,456,852
Receivables from clearing house	2,568,087	2,568,087
Securities and derivative business receivables	7,323,457	7,323,457
Total	229,784,134	231,021,401
Financial liabilities		
Deposits	132,297,166	132,297,166
Interbank and money market items, net	9,795,069	9,795,069
Liabilities payables on demand	315,538	315,538
Derivatives liabilities	1,456,721	1,456,721
Debt issued and borrowings	42,771,534	43,058,657
Payables to clearing house	1,070,437	1,070,437
Securities and derivative business payables	7,175,549	7,175,549
Accrued interest payables	859,397	859,397
Total	195,741,411	196,028,534



The Bank's		
2014		
	Carrying amount Thousand Baht	Fair value Thousand Baht
Financial assets		
Cash	1,299,783	1,299,783
Interbank and money market items, net	3,731,500	3,731,500
Derivatives assets	1,000,976	1,000,976
Investments in securities, net	22,079,967	23,318,312
Investments in receivables, net	968,743	968,743
Loans to customers and accrued interest receivables, net	178,316,286	178,316,286
Total	207,397,255	208,635,600
Financial liabilities		
Deposits	132,422,439	132,422,439
Interbank and money market items, net	10,110,915	10,110,915
Liabilities payables on demand	315,538	315,538
Derivatives liabilities	1,102,366	1,102,366
Debt issued and borrowings	40,362,078	40,649,200
Accrued interest payables	865,145	865,145
Total	185,178,481	185,465,603

56. Subsequent Events

On 25 February 2016, the Board of directors Meeting of the Bank No.2/2559 approved the resolution regarding the payment of dividend for the year of 2015 at the rate of Baht 3 per share, a part of which had been paid as interim dividend at the rate of Baht 1 per share and the remaining amount will be paid on 24 May 2016 at the rate of Baht 2 per share.

On 23 February 2016, the Board of directors Meeting of Phatra Capital Public Company Limited ("the subsidiary") approved the resolution regarding the payment of dividend for the year of 2015 at the rate of Baht 2.35 per share. The dividend will be paid on 19 May 2016.

On 23 February 2016, the Board of directors Meeting of Phatra Securities Public Company Limited, a subsidiary company of Phatra Capital Public Company Limited approved the resolution regarding the payment of dividend for the year 2015 at the rate of Baht 2.35 per share. The dividend will be paid on 16 May 2016.

