
Information Disclosures under Basel II Capital Requirement

As of June 30,2010

Scope of Information Disclosure

The Bank discloses information under Basel II capital requirement based on the bank position only (Solo Basis) and in accordance with the Bank of Thailand's notification Sor.Nor.Sor 25/2552 on the regulatory capital disclosure requirement for commercial banks.

Capital Structure

As at June 30,2010 and December 31,2009 the Bank's capital was in accordance with the BOT's Basel II guidelines, as follows :

| | (Unit . Thousand Baht) | |
|---|------------------------|-------------------|
| | June 30,2010 | December 31,2009 |
| Tier 1 Capital | | |
| Registered and fully paid share capital | 15,904,529 | 15,904,529 |
| Investments in instruments already counted as other financial institutions' capital funds | (351,976) | (384,632) |
| Deficit | (2,884,496) | (3,143,633) |
| Total | 12,668,057 | 12,376,264 |
| Tier 2 Capital | | |
| Reserve for assets classified as "Pass" | 289,117 | 293,748 |
| Revaluation surplus on investments in available-for-sale securities | 5,597 | 2,344 |
| Investments in instruments already counted as other financial institutions' capital funds | (294,714) | (296,092) |
| Total | - | - |
| Total capital funds | 12,668,057 | 12,376,264 |

Capital Adequacy

According to capital requirement under the Bank of Thailand's regulation. The BOT's regulation requires the bank maintain a capital ratio to risk assets of credit risk , market risk and operational risk must not be less than 8.5 %. The Bank's policy for capital ratio to risk assets are according to the BOT's guidelines. The capital adequacy of risk assets type, the bank's applies a guideline for risk assets appropriate to the complexity and size of the banks as follows :

- Credit Risk Standardized Approach
- Market Risk Standardized Approach
- Operational Risk Basic Indicator Approach

In addition, the bank has assessed the capital adequacy to maintain a capital fund , the bank is able to do so under the rules of regulatory capital for commercial banks by the Bank of Thailand.

Minimum Capital Requirements

According to the Basel II's Requirement, Bank must maintain the minimum capital for Credit Risk , Market Risk and Operational Risk as follows.

I. Minimum capital requirement for credit risk

| | (Unit . Thousand Baht) | |
|---|------------------------|------------------|
| | June 30,2010 | December 31,2009 |
| Performing Loans | | |
| - Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank | 118 | 446 |
| - Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions | 104,883 | 70,767 |
| - Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates | 3,659,038 | 3,774,622 |
| - Claims in the Regulatory Retails Portfolio | 8,478 | 14,905 |
| - Residential Mortgage Loans | 4,507 | 4,940 |
| - Other Assets | 301,545 | 292,357 |
| Non - Performing Loans | 231,872 | 221,779 |
| Total Minimum capital requirement for credit risk | 4,310,441 | 4,379,816 |

II. Minimum Capital Requirement for Market Risk

According to the Standardized Approach, the Market Risk's Minimum Capital Requirements for Bank's trading book position at June 30, 2010 and December 31, 2009 as follows:

| Market Risk Capital Requirement | (Unit : Thousand Baht) | |
|--|------------------------|------------------|
| | June 30,2010 | December 31,2009 |
| Interest Rate Risk | 57,218 | 29,504 |
| Equity Price Risk | 7,052 | 9,529 |
| Foreign Exchange Risk | 2,689 | 3,435 |
| Total market risk capital requirement | 66,959 | 42,468 |

III. Minimum Capital Requirement for Operational Risk

According to the Basic Indicator Approach, the Operational Risk's Minimum Capital Requirements at June 30, 2010 and December 31, 2009 are 223,895 Baht and 211,500 Thousand Baht consecutively.

IV. Capital Adequacy

According to the Basel II's Requirement, Bank's Capital Adequacy Ratio at 30 June 2010 and 31 December 2009 are following :

| Ratio | Unit : % | |
|--|--------------|------------------|
| | June 30,2010 | December 31,2009 |
| Tier 1 Capital to risk weighted assets | 23.33 % | 22.64 % |
| Total Capital to risk weighted assets | 23.33 % | 22.64 % |