RHB Bank Thailand Operations

Basel III Pillar 3 Disclosures

31st December 2015

Statement by Country Head, RHB Bank Thailand Operations

In accordance with the requirements set forth in the Bank of Thailand's Notification No. SorNorSor. 4/2556 Re: Disclosure of Information on Capital Fund Maintenance for Commercial Banks, dated 2nd May 2013, and on behalf of the Management of RHB Bank Thailand Operations, I am pleased to provide an attestation that the Pillar 3 disclosures of RHB Bank Thailand Operations for the year ended 31st December 2015 are accurate and complete.

Wong Kee Poh
Country Head
RHB Bank, Thailand Operations

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1.0 Disclosure A: Scope of Application

The Basel III Pillar 3 Disclosures contained in this document relate to RHB Bank Thailand Operations for the year ended 31st December 2015 and is the annual disclosure prepared in compliance with the requirements set forth in Bank of Thailand's Notification No. SorNorSor 4/2556 Re: Disclosure of Information on Capital Fund Maintenance for Commercial Banks, dated 2nd May 2013. This report also includes comparative quantitative information of the preceding year 2014.

RHB Bank Berhad ('the Bank') in Thailand has a network of two branches and is a branch office of the RHB Banking Group operations with its Head Office in Malaysia. In operating the business, RHB Bank Thailand is guided by the Group Policies, Bank Negara Malaysia's Guidelines and Bank of Thailand's Guidelines, whichever is more stringent.

The quantitative disclosure herein relates to RHB Bank Thailand Operations only whereas the general qualitative disclosure under Section 3.0: Disclosure C contains the Group's Risk Management Framework, Policies and Guidelines, which are also applicable to RHB Bank Thailand Operations.

Other details pertaining to the RHB Banking Group are available under the Corporate Profile: Investor Relations of the Group's official website at www.rhbgroup.com.

2.0 Disclosure B: Capital

2.1 Capital Structure

2.1.1 Qualitative Disclosure

Total capital of RHB Bank Thailand Operations consists of assets maintained under Section 32 of the Financial Institutions Businesses Act B.E. 2551, as set forth by the Bank of Thailand Notification's No. SorNorSor. 8/2558 Re: Capital Components for Foreign Bank Branches, dated 22th May 2015.

As at 31st December 2015, total regulatory capital of RHB Bank Thailand Operations was THB 2,000 million.

Total assets maintained under Section 32 amounted to THB 2,000 million, and comprised two primary components, i.e. Treasury Bills and Central Bank bonds. Treasury Bills are short-term discounted government debt securities backed by the Thailand Government, whereas Central Bank bonds are short-term debt securities issued by the Bank of Thailand (BOT).

2.1.2 Quantitative Disclosure

Table 1: Capital of RHB Bank Thailand Operations

Unit: THB

No.	Items	31-Dec-2015	31-Dec-2014
1.	Assets Required to be Maintained under Section 32 of the Financial Institutions Businesses Act B.E. 2551	2,000,000,000	2,000,000,000
2.	Sum of Net Capital for Maintenance of Assets under Section 32 and Net Balance of Inter-office Accounts	5,266,676,523	3,561,976,452
2.1	Capital for Maintenance of Assets under Section 32	2,000,000,000	2,000,000,000
2.2	Net Balance of Inter-office Accounts which the branch is the Debtor (the Creditor) to the Head Office and Other Branches Located in Other Countries, the Parent Company and Subsidiaries of the Head Office	3,266,676,523	1,561,976,452
3.	Total Regulatory Capital	2,000,000,000	2,000,000,000
3.1	Total Regulatory Capital Before Deduction	2,000,000,000	2,000,000,000
3.2	Deductions	-	-

Note: There is no amount to be included in or deducted from capital under Basel III as required under disclosure of capital information during the transitional period under Basel III.

2.2 Capital Adequacy

2.2.1 Qualitative Disclosure

RHB Bank Thailand Operations calculates and reports its capital adequacy ratio for regulatory reporting purposes to Bank of Thailand on a monthly basis. In view of its small portfolio compared relatively to that of the overall portfolio of the Bank, RHB Bank Thailand Operations has adopted the Standardised Approach (‘SA’) for the calculation of its credit and market risks, and the Basic Indicator Approach (‘BIA’) for its operational risk.

Under the Bank of Thailand’s Notification No. SorNorSor.12/2555 Re: Regulations on Capital Supervision for Commercial Banks, dated 8th November 2012, and as a foreign commercial bank branch, RHB Bank Thailand Operations is required to maintain a minimum capital adequacy ratio of 8.5%.

2.2.2 Quantitative Disclosures

Minimum Capital Requirement for Credit Risk Classified By Type of Assets Under Standardised Approach

RHB Bank Thailand Operations subscribes to the Bank of Thailand's Notification No. SorNorSor. 15/2555 Re: Regulations on the Calculation of Credit Risk-Weighted Assets for Commercial Banks Using the Standardised Approach ('SA') for classification of its assets into the various asset categories for capital adequacy purposes.

External ratings provided by external credit assessment institutions ('ECAIs') are applied to assign risk weights to calculate the risk-weighted asset of the exposures. These ECAIs are Moody's, Standard & Poor's, Fitch, Fitch Thailand and TRIS. Exposures which are not rated by any of the eligible ECAIs are considered 'unrated exposures' and the appropriate risk weight for unrated exposures is assigned.

As at 31st December 2015, the total credit risk-weighted assets amounted to THB 9,008.71 million and credit risk capital requirement was THB 765.74 million.

Table 2: Minimum Capital Requirement for Credit Risk Classified by Type of Assets under Standardised Approach

Unit: THB

		31-Dec-2015	31-Dec-2014
Performing Assets			
1.	Claims on sovereigns and central banks, multilateral development banks ('MDBs'), and non - central government public sector entities ('PSEs') treated as claims on sovereigns	-	-
2.	Claims on financial institutions, PSEs treated as claims on financial institutions, and securities firms	59,260,415	76,894,021
3.	Claims on corporates, and PSEs treated as claims on corporates	637,470,335	735,565,563
4.	Claims on retail portfolios	29,824,823	5,260,386
5.	Claims on housing loans	-	-
6.	Other assets	14,006,308	14,549,429
Non-performing Claims		25,178,664	21,937,075
First-to-default Credit Derivatives and Securitisation		-	-
Total Minimum Capital Requirement for Credit Risk under Standardised Approach		**765,740,545**	**854,206,474**

Minimum Capital Requirement for Market Risk for Positions in the Trading Book

RHB Bank Thailand Operations applies the Standardised Approach as per the Bank of Thailand's Notification No. SorNorSor. 94/2551 Re: Guideline on Supervision of Market Risk and Capital Requirement for Market Risk of Financial Institutions dated 27th November 2008, to measure the market risk capital charge for exposures in the trading book.

As at 31st December 2015, the market risk capital requirement was THB 14.34 million. Total risk-weighted assets amounted to THB 179.34 million.

Table 3: Minimum Capital Requirement for Market Risk

Unit: THB

	31-Dec-2015	31-Dec-2014
Minimum Capital Requirement for Market Risk under Standardised Approach	**14,347,582**	**2,333,123**

Minimum Capital Requirement for Operational Risk

RHB Bank Thailand Operations calculates its operational risk capital charge by using the Basic Indicator Approach ('BIA') as per Bank of Thailand's Notification No. SorNorSor. 95/2551 Re: Regulations on Minimum Capital Requirement for Operational Risk, dated 27th November 2008.

By applying the Basic Indicator Approach to measure operational risk, RHB Bank Thailand Operations uses its gross income, which includes net interest income and non-interest income, as a proxy. For the year ended 31st December 2015, the operational risk capital requirement was THB 25.70 million.

Table 4: Minimum Capital Requirement for Operational Risk

Unit: THB

	31-Dec-2015	31-Dec-2014
Minimum Capital Requirement for Operational Risk under BIA	**25,696,441**	**23,310,846**

Risk-Weighted Capital Ratio

As at 31st December 2015, the risk-weighted capital ratio or capital adequacy ratio ('CAR') of RHB Bank Thailand Operations was 21.03% on total risk-weighted assets of THB 9,509.26 million, against a total regulatory capital of THB 2,000 million, and which was above the minimum CAR of 8.5% required of a foreign commercial bank branch.

Table 5: Risk-Weighted Capital Ratio

Unit: %

	31-Dec-2015	31-Dec-2014
Risk-Weighted Capital Ratio	**21.03**	**19.29**

3.0 Disclosure C: Risk Exposures and Assessment

The risk management objectives and policies of the RHB Banking Group also apply to RHB Bank Thailand Operations. However, since RHB Bank Thailand Operations is a local network of branches in Thailand, its operations are also subject to the regulatory requirements of the Bank of Thailand, and these are indicated accordingly.

3.1 Risk Management

Risk is inherent in the Bank's activities and is managed through a process of on-going identification, measurement and monitoring, subject to limits and other controls. Besides credit risk, the Bank is exposed to a range of other risk types such as market, liquidity, operational, legal, strategic and cross-border, as well as other forms of risk inherent to its strategy, product range and geographical coverage.

Effective risk management is fundamental to drive sustainable growth and shareholder value, while sustaining competitive advantage, and is thus a central part of the proactive risk management of the Bank.

The Group Risk Management Framework governs the management of risks in the RHB Banking Group (the Group) inclusive of RHB Bank Thailand Operations as follows:

- It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against losses which may occur through, principally, the failure of effective checks and controls in the organisation.
- It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication, and enhanced risk quantification to optimise risk-adjusted returns.

The following sections describe some of these risk management content areas.

OVERARCHING RISK MANAGEMENT PRINCIPLES

The Risk Management Framework contains five fundamental principles that drive the philosophy of risk management in the Group. They are:-

- Risk governance from the Boards of Directors of the various operating entities within the Group;
- Clear understanding of risk management ownership;
- Institutionalisation of a risk-focused organisation;
- Alignment of risk management to business strategies; and
- Optimisation of risk-adjusted returns.

Principle 1: Risk Governance from the Boards of Directors of various operating entities in the Group

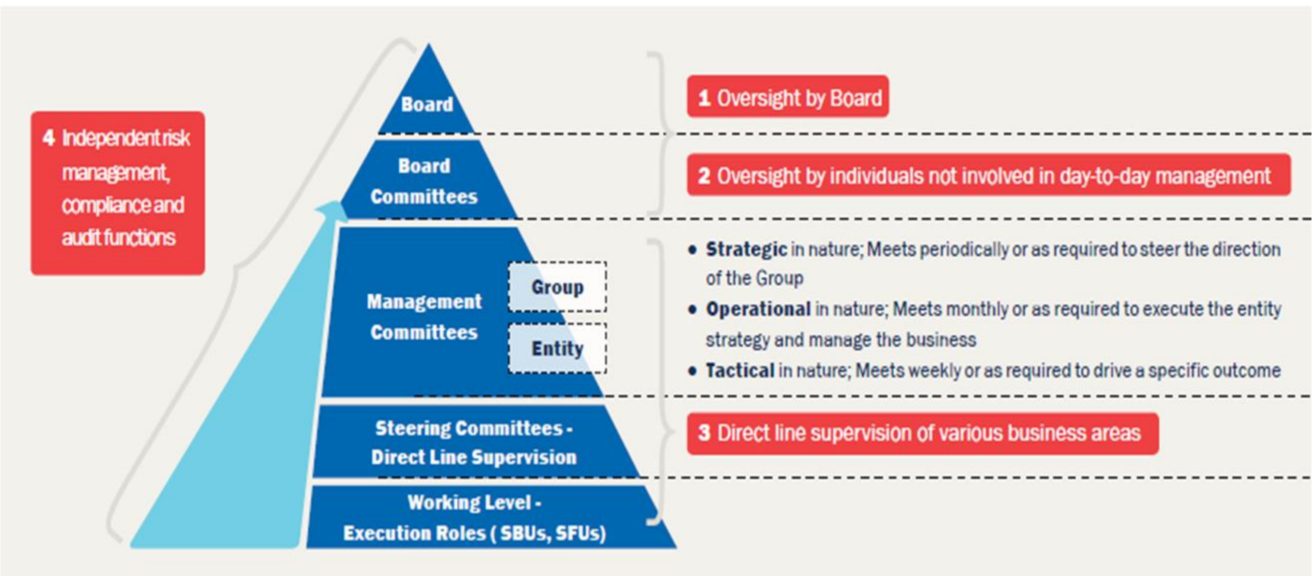
The ultimate responsibility of the Board in the Group is to ensure that an effective risk management strategy is in place which is uniformly understood across the Group. The Group has a structured framework to support the Board's oversight responsibilities.

RISK GOVERNANCE AND ORGANISATION

The Board of Directors (Board) through the Board Risk Committee (BRC), Group Capital and Risk Committee (GCRC) and the Group Risk & Credit Management function establishes the risk appetite and risk principles of the Group and relevant entities. The BRC is the principal Board Committee that provides oversight over risk management activities for the Group to ensure that the Group's risk management process is in place and functional. The BRC assists the Board to review the Group's overall risk management philosophy, frameworks, policies and risk management models.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the GCRC comprising Senior Management of the Group and which reports to the BRC/Islamic Risk Management Committee and the Group Management Committee.

There are other committees set up to manage specific areas of risks in the Group. An overview of this governance framework at Group level is as below:



RHB Group Governance Framework

Principle 2: Clear Understanding of Risk Management Ownership

Proactive risk ownership is important for effective management of risk. This promotes a risk awareness culture throughout the Group. The strategic business units (SBUs) and strategic functional units (SFUs) of the respective operating entities in the Group are collectively responsible for identifying, managing and reporting risks. The business units manage certain defined risks supported by the services provided by the functional units, including the risk management function.

Principle 3: Institutionalisation of a Risk-Focused Organisation

In addition to risk ownership, a risk-focused culture is promoted throughout the organisation through the strengthening of the central risk management functions as well as the continuous reinforcement of a risk and control environment within the Group.

Central Risk Management Function

Group Risk & Credit Management function is independent of the business function to ensure that the necessary balance in risk/return decisions is not compromised by short-term pressures to generate revenues. The said function is headed by the Group Chief Risk Officer. The roles and responsibilities of the Group Chief Risk Officer include:

- Facilitating the setting of the strategic direction and overall policy on management and control of risk of the Group;
- Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk underwriting models;
- Developing a pro-active, balanced and risk-attuned culture within the Group;
- Advising Senior Management, GCRC, BRC and the Board on risk issues and their possible impact on the Group in the achievement of its objectives and strategies; and
- Administering the delegation of discretionary powers to Management personnel within the Group.

Risk and Control Environment

The business and functional heads are accountable for risk management in their businesses and functions and for overseas operations where they have governance responsibilities. The business and functional units have a clear segregation of duties to ensure that business processes are functioning effectively. There is accountability delegated to the appropriate authority to enable them to execute their respective authorities in meeting the business strategies without compromising the risk management processes.

The primary responsibility for managing risks, therefore, rests with the business managers, who are best equipped to ensure that risk management and control are continuously focused on the way business is conducted. There is a continuous review of business activities and processes to identify significant risk areas and implement control procedures to operate within established corporate policies and limits.

Principle 4: Alignment of Risk Management to Business Strategy

The Group's Risk Management Framework serves to align the Group's business strategy to risk strategy, and vice-versa. This is articulated through the risk appetite setting and the Group's annual business and financial budgetary plan, which is facilitated by the integration of risk measures in capital management.

Risk appetite is set by the Board and reported through various metrics that enable the Bank and the Group to manage capital constraints and shareholders' expectations. The risk appetite is a key component of the management of risks and describes the types and level of risk that the Bank and the Group are prepared to accept in delivering its strategy.

Principle 5: Optimisation of Risk-Adjusted Returns

One of the objectives of capital management is to reflect a risk-adjusted return assumed by the businesses throughout the Group. By linking risk to capital, the risk-adjusted return measure contributes to the creation of shareholder value by facilitating the allocation of capital to the businesses.

The medium to long-term strategy and principle of risk management of the Group is to intensify the integration of capital management within the Group. The Group is progressively implementing a risk-adjusted return based framework for allocation of capital to business units and for performance measurement and management.

3.2 Credit Risk

Credit risk is the risk of loss arising from customers' or counterparties' failure to fulfill their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's lending, trade finance and its funding, investment and trading activities from on- and off-balance sheet transactions.

Credit risk management is conducted in a holistic manner. Credit underwriting standards are articulated in an approved Group credit policy which is developed for the assurance of asset quality that is in line with the Group's risk appetite. Industry best practices are instilled in the continual updating of the Group credit policy including independent assessment of credit proposals, assignment of rating and adoption of multi-tiered delegated lending authorities spanning from individuals to credit approving committees.

Credit reviews and rating, where applicable are conducted on the credit exposures at least annually. Specific loans may be reviewed more frequently under appropriate circumstances. Such circumstances may arise if, for instance, the Group believes that heightened risk exists in a particular industry, or the borrower has defaulted on obligations to suppliers or other financial institutions or is facing cash flow or other difficulties.

Regular risk reporting is made to the GCRC, BRC and the Board. These reports include various credit risk aspects such as portfolio quality, credit migration, expected losses, and concentration risk exposures by business portfolio. Such reporting allows Senior Management to identify adverse credit trends, take prompt corrective actions, and ensure appropriate risk-adjusted decision making. Regular credit stress tests are conducted to assess the credit portfolio's vulnerability to adverse credit risk events.

Group Internal Audit conducts independent post-approval reviews on a sampling basis to ensure that the quality of credit appraisals and approval standards is in accordance with the credit underwriting standards and financing policies established by the Group's management, and relevant laws and regulations.

3.2.1 Credit Concentration Risk

The analysis of large customer group exposures is conducted regularly. The lending units undertake account updates, monitoring and management of these exposures. Further, country and industry specific limits are also incorporated within the overall credit risk management framework for better assessment and management of credit concentration risk.

RHB Bank Thailand Operations is guided by the lending direction and internal management action triggers limits, as well as the Bank of Thailand's Notification No. SorNorSor. 22/2555 Re: Supervisory Guidelines on Large Exposure (Single Lending Limit) dated 17^{tt} December 2012.

3.2.2 Credit Risk Mitigation

RHB Bank Thailand Operations uses a variety of techniques to reduce credit risk on its lending; one important credit risk mitigation technique is accepting guarantee and collateral with appropriate coverage, sufficiently liquid, legally effective and regularly valued. The main types of collateral/security support accepted are:

i) Landed properties,
ii) Cash collateral, and
iii) Corporate and Bank Guarantees.

In accordance with the Group's Credit Policy, banks, creditworthy companies and individuals with high net worth are accepted as guarantor counterparties, subject to credit assessment. From the above collaterals, only cash collateral and corporate guarantors with good external ratings are recognised for capital adequacy purposes.

3.2.3 Impaired Loans and Impairment Provisioning

RHB Bank Thailand Operations follows the general guideline on the management of impaired loans as prescribed by the Group's Non-Performing Loans/Impaired Loans Policy. For asset classification, classification for case of debt restructuring, making provision and write-offs of impaired assets, the Bank of Thailand's Notification No. SorNorSor. 31/2008 Re: Classification and Provision of the Financial Institutions, dated 3^{rd} August 2008, is being adhered to.

RHB Bank Thailand Operations categorises its loan portfolio into six categories, i.e. Loss, Doubtful of Loss, Doubtful, Substandard, Special Mention and Normal. ~~Acceptable~~.

Allowance for provision for loans classified as normal (Acceptable) and Special Mention is calculated based on the minimum percentage of 1.2% and 2% respectively in accordance with the Bank of Thailand's Guidelines. For loans classified as Substandard, Doubtful and Doubtful of Loss, the allowance rate is the full amount of the difference between the outstanding loan value and present value of expected cash flow from proceeds of collaterals.

3.2.4 Quantitative Disclosures

Table 6: Outstanding Amounts of Significant On-balance Sheet Assets and Off-Balance Sheet Items before Adjusted by Credit Risk Mitigation

Unit: THB

Item		31-Dec-2015	31-Dec-2014
1.	**On-balance Sheet Items**	**8,758,354,746**	**8,531,959,884**
1.1	Net Loans	7,226,138,772	8,254,604,318
1.2	Net investment in Debt Securities	-	4,000,000
1.3	Deposits (including accrued interest receivables)	1,530,082,997	270,022,192
1.4	Derivatives	2,132,977	3,333,374
2.	**Off-balance Sheet Items**	**10,510,968,147**	**7,950,212,980**
2.1	Aval of Bills, Guarantees, and Letter of Credits	744,130,236	1,304,800,814
2.2	OTC Derivatives	3,638,962,025	2,150,113,639
2.3	Undrawn Committed Lines	6,127,875,886	4,495,298,528

Table 7.1 : Outstanding Amounts of Significant On-balance Sheet Assets and Off-balance Sheet Items Before Credit Risk Mitigation Classified by Country or Geographic Area of Debtor as at 31st December 2015

Unit: THB

Country or Geographic Area of Debtor	On-balance Sheet Assets					Off-balance Sheet Items			
	Total	Net Loans	Net Investment in Debt Securities	Deposit (include accrued interest receivables)	Derivatives	**Total**	Undrawn committed Lines	OTC Derivatives	Aval of Bills, Guarantees of Borrowings, and Letter of Credits
Thailand	**8,758,354,746**	7,226,138,772	-	1,530,082,997	2,132,977	**10,426,749,564**	6,127,875,886	3,638,962,025	659,911,653
Asia Pacific (exclude Thailand)	-	-	-			**84,218,583**	-	-	84,218,583
North America and Latin America	-	-	-			-	-	-	-
Africa and Middle East	-	-	-			-	-	-	-
Europe	-	-	-			-	-	-	-
Total	**8,758,354,746**	7,226,138,772		1,530,082,997	2,132,977	**10,510,968,147**	6,127,875,886	3,638,962,025	744,130,236

Table 7.2 : Outstanding Amounts of Significant On-balance Sheet Assets and Off-balance Sheet Items Before Credit Risk Mitigation Classified by Country or Geographic Area of Debtor as at 31st December 2014

Unit: THB

Country or Geographic Area of Debtor	On-balance Sheet Assets					Off-balance Sheet Items			
	Total	Net Loans	Net Investment in Debt Securities	Deposit (include accrued interest receivables)	Derivatives	**Total**	Undrawn committed Lines	OTC Derivatives	Aval of Bills, Guarantees of Borrowings, and Letter of Credits
Thailand	**8,531,959,884**	8,254,604,318	4,000,000	270,022,192	3,333,374	**7,863,542,264**	4,495,298,527.83	2,150,113,638.92	1,218,130,097
Asia Pacific (exclude Thailand)	-	-	-			**86,670,716**	-	-	86,670,716
North America and Latin America	-	-	-			-	-	-	-
Africa and Middle East	-	-	-			-	-	-	-
Europe	-	-	-			-	-	-	-
Total	**8,531,959,884**	8,254,604,318	4,000,000	270,022,192	3,333,374	**7,950,212,980**	4,495,298,528	2,150,113,639	1,304,800,813

Table 8.1 : Outstanding Amounts of On-balance Sheet Assets and Off-balance Sheet Items Before Credit Risk Mitigation Classified by Residual Maturity as at 31st December 2015

Unit: THB

Item	Maturity Not Exceeding 1 year	Maturity Exceeding 1 year	Total
1. On-balance Sheet Assets			
1.1 Net Loans (include inter-bank and money market item)	6,216,554,877	1,009,583,895	**7,226,138,772**
1.2 Net Investment in Debt Securities	-	-	**-**
1.3 Deposit (include accrued interest receivables)	1,530,082,997	-	**1,530,082,997**
1.4 Derivatives	2,132,977	-	**2,132,977**
2. Off-balance Sheet Items			
2.1 Aval of Bills, Guarantees of Borrowings, and Letter of Credits	744,130,236	-	**744,130,236**
2.2 OTC Derivatives	3,638,962,025	-	**3,638,962,025**
2.3 Undrawn Committed Lines	6,127,875,886	-	**6,127,875,886**

Table 8.2 : Outstanding Amounts of On-balance Sheet Assets and Off-balance Sheet Items Before Credit Risk Mitigation Classified by Residual Maturity as at 31st December 2014

Unit: THB

Item	Maturity Not Exceeding 1 year	Maturity Exceeding 1 year	Total
1. On-balance Sheet Assets			
1.1 Net Loans (include inter-bank and money market item)	7,591,538,049	663,066,269	**8,254,604,318**
1.2 Net Investment in Debt Securities	4,000,000	-	**4,000,000**
1.3 Deposit (include accrued interest receivables)	270,022,192	-	**270,022,192**
1.4 Derivatives	3,333,374	-	**3,333,374**
2. Off-balance Sheet Items			
2.1 Aval of Bills, Guarantees of Borrowings, and Letter of Credits	1,022,605,942	282,194,872	**1,304,800,814**
2.2 OTC Derivatives	2,150,113,639	-	**2,150,113,639**
2.3 Undrawn Committed Lines	4,268,713,125	226,585,403	**4,495,298,528**

Table 9.1 : Loans and Accrued Interest Receivables and Investments in Debt Securities Before Credit Risk Mitigation Classified By Country or Geographic Area of Debtors and By Asset Classification Specified by the Bank of Thailand as at 31st December 2015

Unit: THB

Country or Geographic Area of Debtor	Loans and Accrued Interest Receivables							Investment in Debt Securities Classified as Doubtful loss
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Loss	**Total**	
Thailand	7,081,196,179	20,493,230	3,038,692	7,490,155	113,920,516	-	**7,226,138,772**	-
Asia Pacific (excluding Thailand)	-	-	-	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-
Total	**7,081,196,179**	**20,493,230**	**3,038,692**	**7,490,155**	**113,920,516**	**-**	**7,226,138,772**	**-**

Table 9.2 : Loans and Accrued Interest Receivables and Investments in Debt Securities Before Credit Risk Mitigation Classified By Country or Geographic Area of Debtors and By Asset Classification Specified by the Bank of Thailand as at 31st December 2014

Unit: THB

Country or Geographic Area of Debtor	Loans and Accrued Interest Receivables							Investment in Debt Securities Classified as Doubtful loss
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Loss	**Total**	
Thailand	8,139,394,566	-	-	-	115,209,752	-	**8,254,604,318**	4,000,000
Asia Pacific (excluding Thailand)	-	-	-	-	-	-	-	-
North America and Latin America	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-
Total	**8,139,394,566**	**-**	**-**	**-**	**115,209,752**	**-**	**8,254,604,318**	**4,000,000**

Table 10.1 : Provisions and Bad Debts Written-off During the Period For Loans Including Accrued Interest Receivables and Investments in Debt Securities Classified by Country or Geographic Area as at 31st December 2015

Unit: THB

Country or Geographic Area of Debtor	Loans and Accrued Interest Receivables			Specific Provision for Investment in Debt Securities
	General Provision	Specific Provision	Bad Debt Written-Off /(written back) During Period	
Thailand	87,984,077	89,869,644	-	2,412,022
Asia Pacific (exclude Thailand)	-	-	-	-
North America and Latin America	-	-	-	-
Africa, Middle East and Europe	-	-	-	-
Total	**87,984,077**	**89,869,644**	**-**	**2,412,022**

Table 10.2 : Provisions and Bad Debts Written-off During the Period For Loans Including Accrued Interest Receivables and Investments in Debt Securities Classified by Country or Geographic Area as at 31st December 2014

Unit: THB

Country or Geographic Area of Debtor	Loans and Accrued Interest Receivables			Specific Provision for Investment in Debt Securities
	General Provision	Specific Provision	Bad Debt Written-Off /(written back) During Period	
Thailand	100,289,708	88,070,563	(4,827,950)	2,789,822
Asia Pacific (exclude Thailand)	-	-	-	-
North America and Latin America	-	-	-	-
Africa, Middle East and Europe	-	-	-	-
Total	**100,289,708**	**88,070,563**	**(4,827,950)**	**2,789,822**

Table 11.1 : Loans and Accrued Interest Receivables Before Credit Risk Mitigation Classified by Type of Business as at 31st December 2015

Unit: THB

Type of Business	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Loss	**Total**
Agriculture and Mining	-	-	-	-	-	-	**-**
Manufacturing and Commerce	4,249,916,205	17,311,351	-	-	-	-	**4,267,227,556**
Property and Construction	25,902,836	3,181,879	-	-	112,595,661	-	**141,680,376**
Public Utilities and Services	67,764,676	-	-	7,490,154	-	-	**75,254,830**
Housing	-	-	-	-	-	-	**-**
Others	2,737,612,462	-	3,038,692	-	1,324,855	-	**2,741,976,009**
Total	**7,081,196,179**	**20,493,230**	**3,038,692**	**7,490,154**	**113,920,516**	-	**7,226,138,772**

Table 11.2 : Loans and Accrued Interest Receivables Before Credit Risk Mitigation Classified by Type of Business as at 31st December 2014

Unit: THB

Type of Business	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Loss	**Total**
Agriculture and Mining	-	-	-	-	-	-	**-**
Manufacturing and Commerce	3,926,397,584	-	-	-	-	-	**3,926,397,584**
Property and Construction	21,608,153	-	-	-	113,882,249	-	**135,490,401**
Public Utilities and Services	179,238,340	-	-	-	-	-	**179,238,340**
Housing	8,607,729	-	-	-	1,327,503	-	**9,935,232**
Others	4,003,542,760	-	-	-	-	-	**4,003,542,760**
Total	**8,139,394,566**	**-**	-	-	**115,209,752**	-	**8,254,604,318**

Table 12.1 : Provisions and Bad Debt Written-off During Period of Loans Including Accrued Interest Receivables Classified by Types of Business as at 31st December 2015

Unit: THB

Type of Business	General Provision	Specific Provision	Bad Debt Written-off/ (Written-back) During Period
Agriculture and Mining		-	-
Manufacturing and Commerce		53,284,962	-
Property and Construction		35,956,715	-
Public Utilities and Services		-	-
Housing		-	-
Others		627,967	-
Total	**87,984,077**	**89,869,644**	**-**

Table 12.2 : Provisions and Bad Debt Written-off During Period of Loans Including Accrued Interest Receivables Classified by Types of Business as at 31st December 2014

Unit: THB

Type of Business	General Provision	Specific Provision	Bad Debt Written-off/ (Written-back) During Period
Agriculture and Mining		-	-
Manufacturing and Commerce		52,743,232	-
Property and Construction		34,702,012	(4,827,950)
Public Utilities and Services		-	-
Housing		-	-
Others		625,319	-
Total	**100,289,708**	**88,070,563**	**(4,827,950)**

Table 13.1 : Reconciliation of Changes in Provisions for Classified Assets as at 31st December 2015

Unit: THB

Item	General Provision	Specific Provision	Total
Provisions at the beginning of the period	100,289,708	88,070,563	188,360,271
Bad Debts written-off/(written back) during the period	-	-	-
Increases or (decreases) of provisions during the period	(12,305,631)	1,799,081	(10,506,550)
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	-	-
Provisions at the end of the period	**87,984,077**	**89,869,644**	**177,853,721**

Table 13.2 : Reconciliation of Changes in Provisions for Classified Assets as at 31st December 2014

Unit: THB

Item	General Provision	Specific Provision	Total
Provisions at the beginning of the period	90,374,497	43,172,023	133,546,520
Bad Debts written-off/(written back) during the period	-	(4,827,950)	(4,827,950)
Increases or (decreases) of provisions during the period	9,915,211	49,726,490	59,641,701
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	-	-
Provisions at the end of the period	**100,289,708**	**88,070,563**	**188,360,271**

Table 14.1 : Outstanding Amounts of On-balance Sheet Assets and Off-balance Sheet Items By Type of Assets Under Standardised Approach as at 31st December 2015

Unit: THB

Type of Asset	On-balance Sheet Assets	Off-balance Sheet Item	Total
1. Performing Claims			
1.1 Claims on sovereigns and central banks	3,621,207,451	-	3,621,207,451
1.2 Claims on non-central government public sector entities	2,378,964,643	-	2,378,964,643
1.3 Claims on multilateral development banks	-	-	-
1.4 Claims on banks	668,626,005	5,086,140	673,712,145
1.5 Claims on securities companies	400,047,233	68,000,000	468,047,233
1.6 Claims on corporate	6,914,360,879	1,149,578,824	8,063,939,703
1.7 Claims on retail portfolios	7,412,519	351,831,412	359,243,931
1.8 Residential mortgage exposures	-	-	-
1.9 Other assets	173,302,829	-	173,302,829
2. Non-Performing Claims	207,535,712	44,268	207,579,980
3. First-to-default Credit Derivatives and Securitizations	-	-	-
Total	**14,371,457,270**	**1,574,540,644**	**15,945,997,914**

Table 14.2 : Outstanding Amounts of On-balance Sheet Assets and Off-balance Sheet Items By Type of Assets Under Standardised Approach as at 31st December 2014

Unit: THB

Type of Asset		On-balance Sheet Assets	Off-balance Sheet Item	Total
1.	**Performing Claims**			
	1.1 Claims on sovereigns and central banks	2,772,336,235	-	2,772,336,235
	1.2 Claims on non-central government public sector entities	1,306,176,171	-	1,306,176,171
	1.3 Claims on multilateral development banks	-	-	-
	1.4 Claims on banks	520,825,195	8,436,916	529,262,112
	1.5 Claims on securities companies	660,148,805	42,000,000	702,148,805
	1.6 Claims on corporate	7,958,256,092	1,390,467,907	9,348,723,999
	1.7 Claims on retail portfolios	8,713,722	64,833,385	73,547,107
	1.8 Residential mortgage exposures	-	-	-
	1.9 Other assets	183,175,157	-	183,175,157
2.	**Non-Performing Claims**	180,054,177	44,268	180,098,445
3.	**First-to-default Credit Derivatives and Securitizations**	-	-	-
Total		**13,589,685,556**	**1,505,782,476**	**15,095,468,032**

Table 15.1 : Outstanding of On-balance Sheet Assets and Off-balance Sheet Items After Credit Risk Mitigation for Each Type of Assets Classified by Risk Weight as at 31st December 2015

Unit: THB

Type of Asset	Rated Outstanding				Unrated Outstanding						
Risk Weight (%)	0	20	50	100	0	20	35	50	75	100	150
Performing Claims											
Claims on sovereigns and central banks	3,621,207,451	-	-	-	-	-	-	-	-	-	-
Claims on non-central government public sector entities	2,378,964,643	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on banks	-	367,294,260	301,485,245	4,932,640	-	-	-	-	-	-	-
Claims on securities companies	-	-	-	-	-	-	-	-	-	468,047,233	-
Claims on corporate	-	-	538,097,319	773,214,973	-	-	-	-	-	6,752,627,411	-
Claims on retail portfolios	-	-	-	-	-	-	-	-	1,962,164	357,281,766	-
Claims on housing loans	-	-	-	-		-	-	-	-	-	-
Other assets	-	-	-	-	8,522,733	-	-	-	-	164,780,095	-
Non-Performing Claims	-	-	-	-	-	-	-	-	-	30,300,782	177,279,198
Items which BOT allows to deduct from capital of FIs	-	-	-	-	-	-	-	-	-	-	-

Table 15.2 : Outstanding of On-balance Sheet Assets and Off-balance Sheet Items After Credit Risk Mitigation for Each Type of Assets Classified by Risk Weight as at 31st December 2014

Unit: THB

Type of Asset	**Rated Outstanding**				**Unrated Outstanding**						
Risk Weight (%)	0	20	50	100	0	20	35	50	75	100	150
Performing Claims											
Claims on sovereigns and central banks	2,772,336,235	-	-	-	-	-	-	-	-	-	-
Claims on non-central government public sector entities	1,306,176,171	-	-	-	-	-	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims on banks	-	220,953,440	300,025,255	8,283,416	-	-	-	-	-	-	-
Claims on securities companies	-	-	-	-	-	-	-	-	-	702,148,805	-
Claims on corporate	-	-	784,104,040	1,417,897,271	-	-	-	-	-	7,146,722,687	-
Claims on retail portfolios	-	-	-	-	-	-	-	-	1,639,407	71,907,700	-
Claims on housing loans	-	-	-	-		-	-	-	-	-	-
Other assets	-	-	-	-	12,005,411	-	-	-	-	171,169,746	-
Non-Performing Claims	-	-	-	-	-	-	-	-	-	24,128,856	155,969,589
Items which BOT allows to deduct from capital of FIs	-	-	-	-	-	-	-	-	-	-	-

Table 16.1 : Part of Outstanding that is Secured by Collateral under Standardised Approach Classified by Type of Assets and Collateral as at 31st December 2015

Unit: THB

Type of Asset		Eligible Financial Collateral	Guarantee and Credit Derivative
Performing Assets			
1.	Claims on sovereigns and central banks, multilateral development banks, and PSEs treated as claims on sovereigns	-	-
2.	Claims on financial institutions, PSEs treated as claims on financial institutions, and securities firms	-	-
3.	Claims on corporates, and PSEs treated as claims on corporates	373,705,536	863,433,170
4.	Claims on retail portfolios	790,439	-
5.	Claims on housing loans	-	-
6.	Other Assets	-	-
Substandard Assets		-	-
Total		**374,495,975**	**863,433,170**

Table 16.2 : Part of Outstanding that is Secured by Collateral under Standardised Approach Classified by Type of Assets and Collateral as at 31st December 2014

Unit: THB

Type of Asset		Eligible Financial Collateral	Guarantee and Credit Derivative
Performing Assets			
1.	Claims on sovereigns and central banks, multilateral development banks, and PSEs treated as claims on sovereigns	-	-
2.	Claims on financial institutions, PSEs treated as claims on financial institutions, and securities firms	-	-
3.	Claims on corporates, and PSEs treated as claims on corporates	406,368,157	899,634,103
4.	Claims on retail portfolios	5,197,658	-
5.	Claims on housing loans	-	-
6.	Other Assets	-	-
Substandard Assets		-	-
Total		**411,565,815**	**899,634,103**

3.3 Market Risk

3.3.1 Qualitative Disclosure

Market risk is the risk of loss arising from adverse movements in market indicators, such as interest rates, credit spreads, equity prices, currency exchange rates and commodity prices.

Market risk is segregated into trading and non-trading market risk. Trading market risk arises from changes in interest rates, foreign exchange rates, equity prices and credit spreads on the value of assets held for trading, while non-trading market risk arises from changes in interest rates, foreign exchange rates and equity prices, of which the main non-trading market risk is interest rate risk arising from re-pricing mismatches of its assets and liabilities from its banking activities.

The Group Asset and Liability Committee (Group ALCO) performs a critical role in the management of the market risk and supports the BRC in the overall market risk management. Group ALCO meets regularly and is the forum where strategic and tactical decisions are made for the management of market risk; this includes the development of the Bank's market risk strategy, market risk management structure and the policies as well as measurement techniques to be put in place.

RHB Bank Thailand Operations' Treasury Head is responsible for managing all trading activities on a day-to-day basis and within established trading limits.

For effective control of operations, defined management action triggers and risk limits are established and monitored. Market risk measures include risk quantification methodologies such as risk factor sensitivity analysis and value-at-risk (VaR) measures. Stress testing is rigorously applied in ascertaining the susceptibility of and the extent to which the Group's financials and earnings are affected by prospective changes in market interest rates, key risk drivers or scenarios.

3.3.2 Quantitative Disclosure

Table 17: Minimum Capital Requirement for Each Type of Market Risk Under Standardised Approach

Unit: THB

Minimum Capital Requirement for Each Type of Market Risk Under Standardised Approach	31-Dec-2015	31-Dec-2014
Interest Rate Risk	426,251	756,750
Equity Position Risk	-	-
Foreign Exchange Rate Risk	13,921,331	1,576,373
Commodity Risk	-	-
Total Minimum Capital Requirements	**14,347,582**	**2,333,123**

RHB Bank Thailand Operations did not have equity or commodity position as at 31st December 2015.

3.4 Interest Rate Risk in the Banking Book

Interest rate risk in the banking book refers to the risk to the Group's earnings and economic value of equity due to the adverse movements in interest rate. The risk may arise from the mismatches in the timing of repricing of assets and liabilities from both on and off-balance sheet positions in the banking book, changes in slope and shape of the yield curve, basis risk and optionality risk.

In line with the Group's Policy to achieve a balance between profitability from banking activities and minimising risk to earnings and capital from changes in interest rates, RHB Bank Thailand Operations' exposure to interest rate risk is managed with the objective that profits will not be unduly impacted by the volatility of the interest rates.

Analysis of interest rate risk is performed quarterly by applying the re-pricing gap model to evaluate assets, liabilities, and off-balance sheet positions affected by interest rate movements based on the remaining contractual duration until maturity (for fixed interest rates) or until the subsequent interest rate adjustment (for floating interest rates).

RHB Bank Thailand Operations is closely guided by the Bank of Thailand's Notification No. SorNorSor. 42/2008 Re. Supervision Guideline on Interest Rate Risk for Banking Book of the Financial Institutions dated 3rd August 2008, for the management of the interest rate risk in its banking book. .

The impact to net earnings have been prepared on the following basis:

- Interest rate sensitive assets and liabilities with residual maturity of re-pricing tenure of up to one year that is not captured in the trading portfolio are slotted into time bands based on the maturity or re-pricing tenure whichever is earlier.
- A set of risk weights with its respective time band is used to project the applicable basis point interest rate change impact.
- For assets and liabilities with indefinite maturity, e.g., current and saving accounts, certain assumptions are made to reflect the actual sensitivity behavior of interest bearing items.

Economic value is characterised by the impact of interest rate changes on the value of all net cash flows, i.e., the effect on the economic value of the Bank's assets, liabilities and off-balance sheet positions. This provides a more comprehensive view of the potential long-term effects of changes in interest rates than is offered by the earnings perspective.

The effect of changes in interest rates to net earnings for position 31st December 2015 and 31st December 2014 is shown below:

Table 18 : The Effect of Changes in Interest Rates to Net Earnings

Currency	**31-Dec-2015**	**31-Dec-2014**
	Effect to net earnings (%)	Effect to net earnings (%)
THB	0.32	-0.74
USD	-9.16	-3.52
JPY	-0.01	0.00
EUR	-0.02	0.00
Total effect	-8.87	-4.26

* Commercial banks shall use the percentage changes in interest rates of 100bps.

3.5 Liquidity Risk

Liquidity risk is the risk of the Group being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

There are two types of liquidity risk, namely funding liquidity and market liquidity risk. Funding liquidity risk is the risk that the Bank is unable to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Group. Market liquidity risk is the risk that the Group cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

The Group ALCO supports the BRC by performing the critical role in the management of liquidity risk, and is responsible in establishing strategies that assist in controlling and reducing any potential exposure to liquidity risk. The Group ALCO meets regularly and is the forum where strategic and tactical decisions are made for the management of liquidity risk and the Bank’s balance sheet profile.

RHB Bank Thailand’s Liquidity Policy Statement sets out the framework for liquidity risk management and control, whereas the Group Liquidity Incident Management Plan covers contingency plans to address its liquidity incidents. Liquidity is managed both quantitatively and qualitatively, involving monitoring of depositors’ behavior, economic conditions, financial markets and competitive environments. The responsibility to manage liquidity risk on day-to-day basis rests on the Thailand Operations Treasury Head, under Head of Group Treasury’s oversight.

RHB Bank Thailand Operations is guided by the Bank of Thailand's Notification No. SorNorSor. 41/2008 Re. Liquidity Risk Management of the Financial Institutions dated 3rd August 2008, for its liquidity risk management.

3.6 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes IT and legal risk but excludes strategic and reputational risk. Operational risk is inherent in the Bank's operations and can never be eliminated entirely. The impact can be in the form of actual financial loss as well as non-financial loss such as loss of reputation, non-compliance and unsatisfactory service level to customers.

One of the Bank's primary safeguards against operational risk is the existence of a sound internal control system based on the principle of dual control checks and balances, segregation of duties, independent checks and verification processes, and a segmented system access control and authorisation process. These controls are documented through a set of policies and procedures at the respective business and operation level. Each business and support unit of the Group owns and is responsible for understanding the operational risks inherent in its products, activities, processes and systems. They are aided in this function by the central risk coordination units which include the operational risk management function, the compliance function and the internal audit function.

The Group's Operational Risk Management Framework comprises a wide range of activities and elements, broadly classified into:

- Analysis and Enhancement – The Group has implemented a Basel II compliant operational risk management system to support its workflow and analytical capabilities.
- Education and Awareness – The Group undertakes change management activities to improve the risk management knowledge, culture and policies of the Bank personnel. This is aligned with the principle and requirement that the front-line business and support units of the Group, are by nature of their direct involvement in interfacing with customers and in operating the business, responsible for managing operational risk and acting as the first line of defence.
- Monitoring and Intervention – This is where the principal head office risk control units, including the risk management function, compliance function and the internal audit function, actively manage operational non compliances, and incidences as a second and third line of defence respectively. The second line of defence also undertakes recovery actions, including business continuity measures in cases of incidences causing disruption to business activities.

Operational Risk Management Processes and Tools

The Bank applies a defined operational risk management process in managing operational risk to enable an institutional and transparent operational risk management practice. The 5 processes are as follows:-

1. Establish the context,
2. Risk identification,
3. Risk analysis,
4. Risk mitigating and
5. Risk monitoring

The Bank uses relevant operational risk tools and methodologies to support and ensure an effective operational risk management process. The following ORM tools are being used:-

- Risk and Control Self-Assessment (RCSA)
  RCSA is a methodology to build risk profile for each business and support unit. RCSA sets out a structured process for the identification and assessment of inherent operational risk, the effectiveness of the control environment, and the adequacy of the risk mitigation in place. The RCSA process is facilitated by the business and support units themselves jointly with personnel from Group Operational Risk Management.

- Key Risk Indicators (KRI)
  KRI is a measurable indicator utilised to track and monitor key operational risk exposures. KRI serves as an early warning signal: once a risk indicator exceeds the predefined threshold, a warning message is sent to a predefined list of users. Business and support units are required to monitor their risk exposures via KRIs and are required to develop specific and concrete plans to address those where indicators are unfavourable. KRIs are embedded into critical processes to provide early warning signals of increasing risk and/or control failures by flagging up frequencies of events as a mechanism for continuous risk assessment and monitoring.

- Incident Management and Loss Data Collection (IMLDC)
  IMLDC provides structured process for the management of operational risk incidents that have occurred, from the point of discovery until resolution. Business and functional units are required to report all incidences within defined reporting timeline operational losses for further analysis of root cause to avoid further recurrence. This is also be useful for reviewing the effectiveness of the RCSA and KRIs.

Risk mitigation tools and techniques are used to minimise risk to an acceptable level and aim to decrease the likelihood of an undesirable event and the impact on the business, should it occur. The control tools and techniques include business continuity management, outsourcing and insurance management.

- Business Continuity Management
  To mitigate the impact of unforeseen operational risk events, the Bank has on-going and actively managed Business Continuity Planning ('BCP') programmes for its major critical business operations and activities at the Head Office, data centre, and branches' locations. The BCP programmes are subject to regular testing to ensure efficacy, reliability and functionality, and come under the responsibility of the Business Continuity Management Department.

- Outsourcing
  With the increasing need to outsource for cost and operational efficiency, the Group's Policy on Outsourcing of Operations and Services ensures that the risk arising from outsourcing activities is adequately identified, assessed and managed prior to entering into any new arrangements and on an on-going basis.

- Insurance
  The Bank considers risk transfer by means of insurance to mitigate operational risk. The Bank has a programme of insurance designed to reduce its exposure to liability and to protect its assets. The Bank purchases insurance from leading insurers in the market covering fraud, theft, property and casualty, business disruption, liability and other risks for which it may be held responsible. These are provided by third-party insurers providers and will financially mitigate the economic consequences of risks.

Regular operational risk reporting is made to the Senior Management, GCRC, BRC and the Board. These reports include various operational risk aspects such as reporting of significant operational loss events. Such reporting enables Senior Management to identify adverse operational lapses, take prompt corrective actions, and ensure appropriate risk mitigation decision making and action plans.

In this respect, RHB Bank Thailand Operations is also closely guided by the Bank of Thailand's Policy Statements on Operational Risk Management, and Business Continuity Management and Business Continuity Plans.

3.7 Reputational Risk

Reputational risk is the risk that negative publicity regarding the conduct of the Bank or any of the entities within the Group, and its business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures. It also undermines public confidence in the Group, affecting the share price.

Reputation, being largely based on people's perception and expectations, is intangible in nature and thus cannot be easily analysed or quantified. Hence, an integral component of reputational risk management is to understand and meet the expectations of stakeholder.

The stakeholders who are critical to the Group are mainly our customers, employees, and shareholders; others may include regulators, strategic partners, suppliers, outsourced service providers, and counterparties. The ability to maintain the expectations of these stakeholders would contribute significantly in the dynamic context of future strategy towards managing competition and achieving corporate goals.

Reputational risk in the Bank is managed and controlled through codes of conduct, governance practices and risk management practices, policies, procedures and training. Towards this end, the Group has developed and implemented a Reputational Risk Management Policy.

The key elements for management of reputational risk include:

- Prompt and effective communication with all stakeholders;
- Strong and consistent enforcement of controls relating to governance, business and legal compliance;
- Continuous monitoring of threats to reputation;
- Ensuring ethical practices throughout the Group; and
- Establishing crisis management plans and ensuring these are continually updated.

It is the responsibility of the Country Head of RHB Bank Thailand Operations to promote awareness and application of the Group's policy and procedures regarding reputational risk, in all dealings with customers, potential investors and host regulators.

3.8 Internal Capital Adequacy Assessment Process

Basel III Pillar 2 requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amount of capital to be held against these risks where other suitable risk mitigation techniques are not available. This risk and capital assessment is commonly referred to as an Internal Capital Adequacy Assessment Process ('ICAAP') which covers much broader risk types beyond Pillar 1 risks, and these include credit concentration risk, interest rate risk in the banking book, liquidity risk, strategic risk, and reputational risk.

The Group has implemented ICAAP with the objective to forge a strong alignment between risk and capital. Capital adequacy is assessed in relation to the Bank's risk profile, and strategies are in place to maintain appropriate capital levels.

RHB Bank Thailand Operations is guided by the Bank of Thailand's Notification No. ThorPorTor. ForTor (52) 2136/2552 Re: Dispatch of Notification of the Bank of Thailand on Supervisory Guideline on Capital Fund under Pillar 2 dated 16th October 2009, and has commenced its ICAAP reporting since 2010 as required under the Bank of Thailand's Notification.

4.0 Disclosure D: Additional Disclosure of Capital Information under the Basel Committee on Banking Supervision (BCBS) Guideline

Table 19: Disclosure of Capital Information

Value of Capital, Inclusions, Adjustments and Deductions for the six months ended 31 December 2015	
Capital of RHB Bank Thailand Operations	2,000,000,000
Net amount of item to be included in or deducted from capital under Basel III	-
Total Capital of RHB Bank Thailand Operations	**2,000,000,000**

Appendix Glossary of Terms

Abbreviation	Brief Description
BCP	Business Continuity Planning
BIA	Basic Indicator Approach
Board	Board of Directors
BOT	Bank of Thailand
BRC	Board Risk Committee
CAR	Capital Adequacy Ratio
ECAIs	External Credit Assessment Institutions
Fitch	Fitch Ratings
Fitch Thailand	Fitch Ratings (Thailand) Limited
Group ALCO	Group Asset and Liability Committee
GCRC	Group Capital and Risk Committee
ICAAP	Internal Capital Adequacy Assessment Process
JPY	Japanese Yen (¥)
MDBs	Multilateral Development Banks
Moody’s	Moody’s Investor Service
OTC	Over the Counter
PSEs	Non Federal Government Public Sector Entities
SA	Standardised Approach
S&P	Standard & Poor’s
THB	Thai Baht
TRIS	TRIS Rating Agency
USD	US Dollar ($)
VaR	Value at Risk