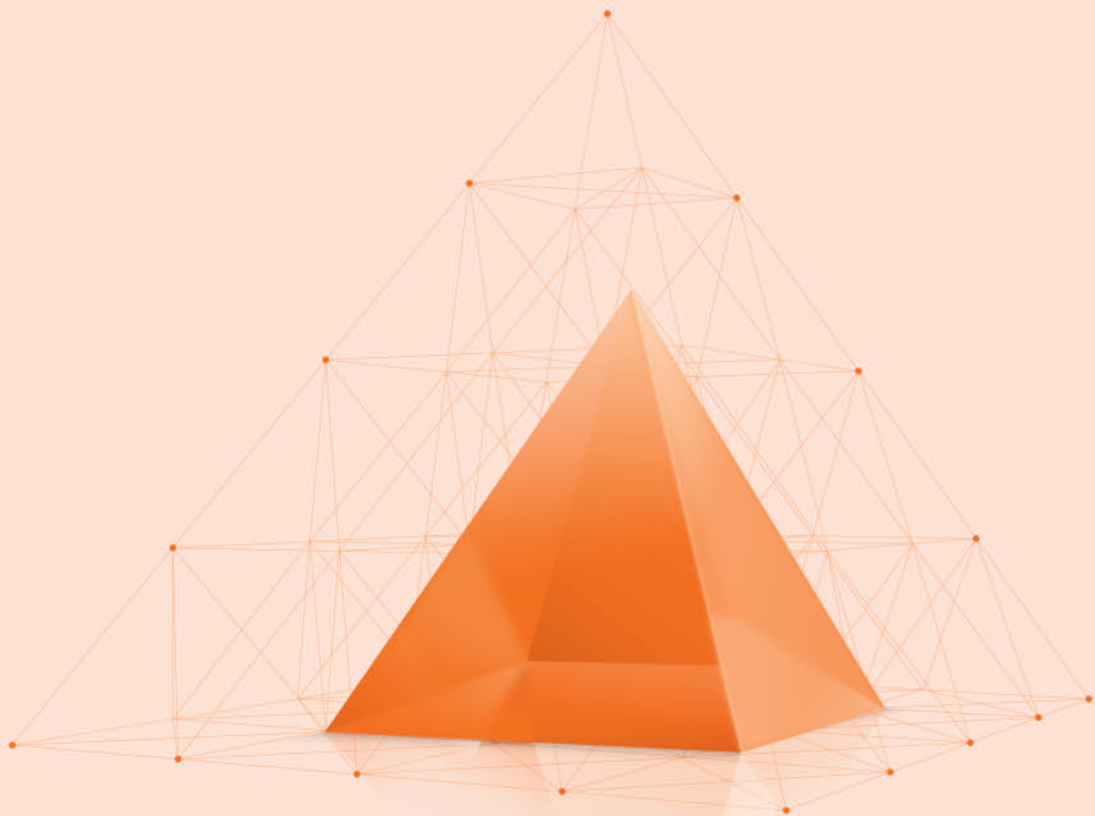


Thanachart Capital Public Company Limited
Financial Summary
Management Discussion and Analysis
For the year 2013



SMART GROWTH

Supporting Documents for 2014
Annual General Shareholders' Meeting

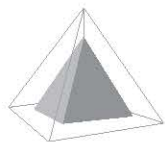
Thursday 3 April 2014, at 14.00 hours,
the Athenee Crystal Hall 3rd Floor,
Plaza Athenee Bangkok, A Royal Meridian Hotel
61, Wireless Road, Lumpini,
Pathumwan, Bangkok.

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For more information, please contact the Company Secretary Office

Tel 0 2217 8444, 0 2217 8000, 0 2611 9111 ext. 3008-3012 Facsimile 0 2217 8312

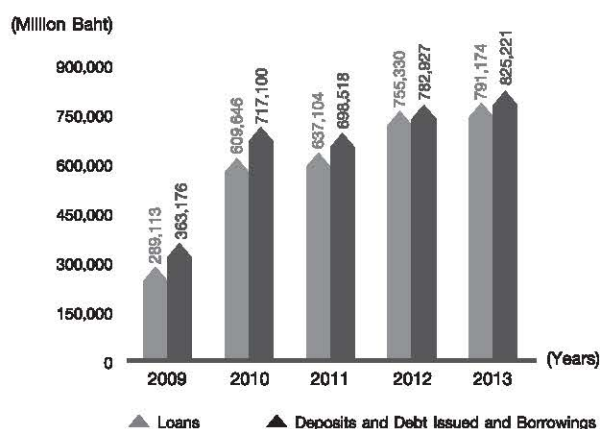


FINANCIAL HIGHLIGHTS

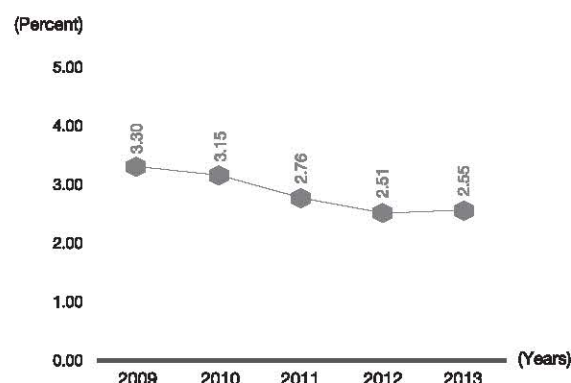
As at and for the year ended 31 December

	CONSOLIDATED				
	2013	2012 (Restated)	2011	2010	2009
Operating Performance (Million Baht)					
Interest Income	54,115	49,081	44,258	35,027	22,112
Interest Expenses	27,558	25,786	19,943	11,998	7,964
Net Interest Income	26,557	23,295	24,315	23,029	14,148
Non-interest Income	27,366	12,487	10,610	10,117	8,156
Net Operating Income ⁽¹⁾	53,923	35,782	34,925	33,146	22,304
Other Operating Expenses	21,475	21,896	20,940	16,347	9,291
Impairment Loss of Loans and Debt Securities	11,510	2,900	2,077	1,653	2,849
Profit before Income Tax	20,938	10,986	11,908	15,146	10,164
Income Tax	4,288	2,360	3,136	4,844	2,989
Profit for the Year from Continuing Operations	16,650	8,626	8,772	10,302	7,175
Profit for the Year from Discontinued Operations	354	1,212	-	-	-
Profit for the Year	17,004	9,838	8,772	10,302	7,175
Net Profit of the Company	9,231	5,509	5,002	5,639	5,109
Non-controlling Interest	7,773	4,329	3,770	4,663	2,066
Operating Performance Ratio					
Basic Earnings per Share (Baht)	7.49	4.31	3.91	4.41	3.99
Return on Average Assets (ROAA) (Percent)	1.65	1.05	1.00	1.41	1.77
Return on Average Equity (ROAE) (Percent)	20.36	13.37	13.64	16.46	17.27
Interest Spread ⁽²⁾ (Percent)	2.55	2.51	2.76	3.15	3.30
Credit Cost (Percent)	1.38	0.36	0.31	0.28	0.83
Cost to Income Ratio ⁽³⁾ (Percent)	39.57	59.19	59.96	49.32	41.66
Financial Position (Million Baht)					
Loans	791,174	755,330	637,104	609,646	289,113
Total Assets	1,050,914	1,026,679	897,962	882,757	459,965
Deposits and Debt Issued and Borrowings	825,221	782,927	698,518	717,100	363,176
Total Liabilities	955,474	941,445	820,751	811,038	412,558
Equity ⁽⁴⁾	47,369	43,586	39,130	36,092	33,323

Loans and Deposits and Debt Issued and Borrowings



Interest Spread

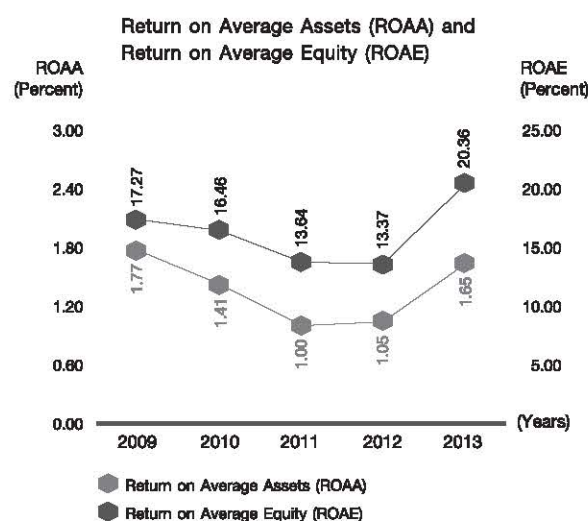
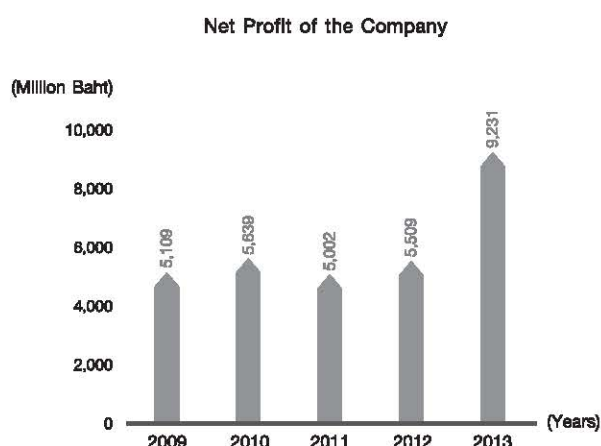


Notes: In 2013, the presentation of financial statements was revised to be in accordance with the Notification of the Bank of Thailand, Sor Nor Sor 11/2010, Re: the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Business Group, dated 3 December 2010. The Company and its subsidiaries have revised financial statements to be in line with the new presented financial statements. This is for comparable in the annual report. The revised items are as follows:

1. For the year 2010 - 2013, Interest Income excludes dividend income
2. Interest expenses include contribution fee to FIDF and DPA
3. Non-interest income includes fees and service expenses and insurance expenses
4. Other operating expenses exclude fees and service expenses, insurance expenses, and contribution fee to FIDF and DPA

As at and for the year ended 31 December

	CONSOLIDATED				
	2013	2012 (Restated)	2011	2010	2009
Financial Position quality					
Loans to Deposits and Debt issued and Borrowings Ratio (Percent)	95.87	96.48	91.21	85.02	79.61
NPL-gross to Total Loans (Percent)	4.49	4.32	5.94	6.00	3.52
NPL-net to Total Loans (Percent)	2.30	2.17	2.84	2.71	0.95
Coverage Ratio (Percent)	82.61	73.19	68.38	69.73	86.64
Reserve to Required Reserve (Percent)	127.36	124.12	107.01	113.14	107.36
Non-performing Loans (NPLs) (Million Baht)	37,540	34,307	40,188	39,663	12,046
Capital Measures (Consolidated Supervision of The Bank of Thailand)					
Tier I Capital Ratio (Percent)	9.07	7.50	8.48	10.44	14.01
Total Capital Ratio (Percent)	14.31	12.07	12.53	13.08	18.00
Risk Weighted Assets (Million Baht)	780,045	750,120	679,718	618,584	261,467
Common Share In					
Share Price ⁽⁶⁾ (Baht)					
- High	50.25	41.75	38.00	41.75	23.90
- Low	29.75	24.60	23.50	18.10	6.80
- Closing	32.25	37.75	26.75	36.00	22.10
Market Capitalization (Million Baht)	38,909	48,238	34,662	47,993	29,462
Common Shares Outstanding (Million Share)					
Average-Basic	1,232	1,278	1,278	1,278	1,280
End of Period	1,206	1,278	1,278	1,278	1,278
Book Value (Baht)	39.26	34.11	30.62	28.24	26.08
Dividends per Share ⁽⁶⁾ (Baht)	0.60	1.40	1.20	1.20	0.95
Other Information					
Employees	15,427	15,840	16,380	16,932	9,464



Definitions and Calculation

⁽¹⁾ Net Operating Income = Net Interest Income + Non-interest Income

⁽²⁾ Interest Spread = Yield - Cost of Fund

Formulas

Yield = Interest Income/Average Earning Assets
(Earning Assets = Interbank and Money Market Items from Interest Bearing + Net Investments + Loans)

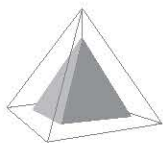
Cost of Fund = Interest Expenses/Average Paying Liabilities
(Paying Liabilities = Total Deposits + Interbank and Money Market Items from Interest Bearing + Debt issued and Borrowings)

⁽³⁾ Cost to Income Ratio = Other Operation Expenses/Net Operating Income

⁽⁴⁾ Excluding Minority Interest/Non Controlling Interests

⁽⁵⁾ Local Board/High - Low Share Prices During the Year

⁽⁶⁾ Dividends per Share for 2013 is Interim Rate Paid



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Thanachart Capital Public Company Limited

I have audited the accompanying consolidated financial statements of Thanachart Capital Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Thanachart Capital Public Company Limited for the same period.

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 financial statements referred to above present fairly, in all material respects, the financial position of Thanachart Capital Public Company Limited and its subsidiaries and of Thanachart Capital Public Company Limited as at 31 December 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the same accounting policy for income taxes. My opinion is not qualified in respect of this matter.

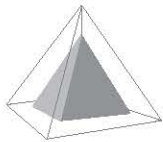


(Ratana Jala)

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 24 February 2014



STATEMENTS OF FINANCIAL POSITION

Thanachart Capital Public Company Limited and its subsidiaries

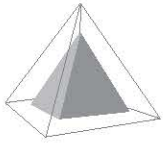
Statement of financial position

As at 31 December 2013

(Unit: Thousand Baht)

		Consolidated financial statements		
	Note	31 December 2013	31 December 2012	1 January 2012
			(Restated)	
Assets				
Cash		17,940,109	15,181,402	16,005,678
Interbank and money market items - net	7	70,214,825	71,978,183	63,232,094
Derivative assets	8	3,913,805	2,176,536	1,536,490
Investments - net	9	147,686,390	150,648,783	152,511,228
Investments in subsidiaries and associates - net	10	2,389,163	1,806,808	1,684,351
Loans to customers and accrued interest receivables	11			
Loans to customers		853,177,090	813,483,032	676,790,337
Accrued interest receivables		1,015,204	1,072,443	979,725
Total loans to customers and accrued interest receivables		854,192,294	814,555,475	677,770,062
Less: Deferred revenue		(62,002,495)	(58,152,765)	(39,686,523)
Allowance for doubtful accounts	12	(30,467,235)	(24,542,763)	(26,900,029)
Revaluation allowance for debt restructuring	13	(305,386)	(348,390)	(385,980)
Net loans to customers and accrued interest receivables		761,417,178	731,511,557	610,797,530
Customers' liability under acceptances		30,330	41,489	90,531
Property foreclosed - net	15	9,027,386	9,914,893	11,560,135
Land, premises and equipment - net	16	8,083,957	8,344,276	8,814,746
Intangible assets - net	17	3,843,509	4,294,348	4,709,482
Goodwill	18	16,725,637	16,460,627	16,183,017
Receivables from purchase and sale of securities		1,645,667	2,102,712	858,326
Accrued interest and dividend receivables		1,081,291	1,166,040	1,050,831
Reinsurance assets		401,450	1,155,602	2,573,393
Deferred tax assets	19	1,075,552	1,154,179	1,128,868
Other assets - net	20	5,437,643	8,741,223	5,224,804
Total assets		1,050,913,892	1,026,678,658	897,961,504

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

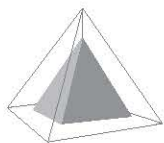
Statement of financial position (continued)

As at 31 December 2013

(Unit: Thousand Baht)

Consolidated financial statements				
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and equity				
Deposits	21	715,931,146	693,421,291	435,864,954
Interbank and money market items	22	81,082,201	87,776,950	60,151,091
Liability payable on demand		3,218,667	4,989,214	2,130,716
Derivatives liabilities	8	5,701,330	1,206,215	2,885,848
Debts issued and borrowings	23	109,290,446	89,505,860	262,653,021
Bank's liability under acceptances		30,330	41,489	90,531
Provisions	24	3,183,299	3,299,608	3,143,979
Accrued interest payable		4,474,707	4,059,655	3,267,864
Payables from purchase and sale of securities		1,466,719	2,872,487	850,724
Insurance contract liabilities	25	15,019,053	39,632,420	36,154,060
Deferred tax liabilities	19	1,700,941	2,038,712	1,605,028
Other liabilities	26	14,375,627	12,600,900	11,952,887
Total liabilities		955,474,466	941,444,801	820,750,703

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

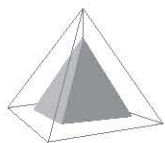
Statement of financial position (continued)

As at 31 December 2013

(Unit: Thousand Baht)

		Consolidated financial statements		
	Note	31 December 2013	31 December 2012	1 January 2012
			(Restated)	
Equity				
Share capital	27			
Registered, issued and paid-up				
13,306 preferred shares of Baht 10 each (1 January 2012: 13,336 preferred shares of Bath 10 each)		133	133	133
1,277,816,397 common shares of Baht 10 each (1 January 2012: 1,333,140,667 common shares of Baht 10 each)		12,778,164	12,778,164	13,331,407
		12,778,297	12,778,297	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	-
Other components of equity	28	1,723,075	1,901,574	1,424,734
Retained earnings				
Appropriated - statutory reserve	29	1,277,830	1,277,830	1,202,176
- treasury shares reserve		3,398,455	-	387,501
Unappropriated		29,358,306	25,396,290	21,105,753
Less: Treasury shares - common shares		(3,398,455)	-	(387,501)
Equity attributable to owners of the Company		47,368,895	43,585,378	39,129,848
Non-controlling interests		48,070,531	41,648,479	38,080,953
Total equity		95,439,426	85,233,857	77,210,801
Total liabilities and equity		1,050,913,892	1,026,678,658	897,961,504

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

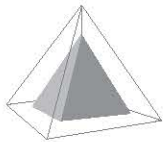
Statement of financial position (continued)

As at 31 December 2013

(Unit: Thousand Baht)

		Separate financial statements		
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012
Assets				
Interbank and money market items - net	7	3,542,552	4,852,214	75,753
Investments - net	9	11,047,674	6,724,409	5,657,335
Investments in subsidiaries and associates - net	10	31,552,224	31,572,896	31,598,119
Loans to customers and accrued interest receivables	11			
Loans to customers		279,776	318,280	1,344,436
Accrued interest receivables		26	30	9,245
Total loans to customers and accrued interest receivables		279,802	318,310	1,353,681
Less: Deferred revenue		(3,982)	(6,875)	(7,847)
Allowance for doubtful accounts	12	(179,470)	(214,590)	(258,777)
Net loans to customers and accrued interest receivables		96,350	96,845	1,087,057
Property foreclosed - net	15	1,254,916	1,667,150	2,006,953
Land, premises and equipment - net	16	46,696	51,905	55,150
Intangible assets - net	17	486	385	400
Receivables from purchase and sale of securities		-	-	664
Accrued interest and dividend receivables		88,395	81,522	78,922
Deferred tax assets	19	55,904	159,332	204,938
Other assets - net	20	109,079	83,431	82,595
Total assets		47,794,276	45,290,089	40,847,886

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2013

(Unit: Thousand Baht)

		Separate financial statements		
	Note	31 December 2013	31 December 2012 (Restated)	1 January 2012
Liabilities and equity				
Interbank and money market items	22	13	3	246
Debts issued and borrowings	23	20,700,000	15,000,000	12,000,000
Provisions	24	40,195	215,105	210,118
Accrued interest payable		153,432	95,462	79,960
Other liabilities	26	121,472	188,127	147,750
Total liabilities		21,015,112	15,498,697	12,438,074
Equity				
Share capital	27			
Registered, issued and paid-up				
13,306 preferred shares of Baht 10 each				
(1 January 2012: 13,336 preferred shares				
of Baht 10 each)		133	133	133
1,277,816,397 common shares of Baht 10 each				
(1 January 2012: 1,333,140,667 common				
shares of Baht 10 each)		12,778,164	12,778,164	13,331,407
		12,778,297	12,778,297	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	-
Other components of equity	28	370,006	293,602	240,304
Retained earnings				
Appropriated - statutory reserve	29	1,277,830	1,277,830	1,202,176
- treasury shares reserve		3,398,455	-	387,501
Unappropriated		10,121,644	13,210,276	11,570,147
Less: Treasury shares - common shares		(3,398,455)	-	(387,501)
Total equity		26,779,164	29,791,392	28,409,812
Total liabilities and equity		47,794,276	45,290,089	40,847,886

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

Thanachart Capital Public Company Limited and its subsidiaries

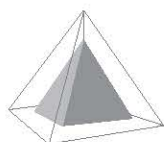
Statement of comprehensive Income

For the year ended 31 December 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Profit or loss					
Continuing operations					
Interest income	32	54,114,949	49,081,164	489,593	447,750
Interest expenses	33	(27,558,408)	(25,785,625)	(662,938)	(560,583)
Net interest income		26,556,541	23,295,539	(173,345)	(112,833)
Fees and service income		8,791,067	6,576,004	2,245	19,368
Fees and service expenses		(1,891,006)	(1,486,988)	(1,094)	(1,621)
Net fees and service income	34	6,900,061	5,089,016	1,151	17,747
Gains on trading and foreign exchange transactions (losses)	35	531,201	662,982	13	(81)
Gains on investments	36	13,591,913	716,813	101,889	144,364
Share of profit from investments accounted for under equity method	10.2	799,915	293,195	-	-
Gains on property foreclosed and other assets		815,221	1,058,998	496,703	207,352
Insurance/Life insurance income		6,723,669	6,124,683	-	-
Dividend income		634,072	437,348	1,969,216	2,726,690
Other operating income		1,812,432	2,081,174	102,330	164,762
Total operating income		58,365,025	39,759,748	2,497,957	3,148,001
Insurance expenses		(4,441,553)	(3,977,917)	-	-
Net operating income		53,923,472	35,781,831	2,497,957	3,148,001
Other operating expenses					
Employee's expenses		10,599,544	10,594,408	123,862	114,553
Directors' remuneration	37	67,338	56,872	29,725	26,009
Premises and equipment expenses		3,037,266	3,158,244	28,874	59,775
Taxes and duties		899,167	918,148	8,099	4,829
Other expenses		6,872,099	7,168,068	76,741	83,718
Total other operating expenses		21,475,414	21,895,740	267,301	288,884
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)	38	11,510,520	2,899,817	(34,114)	(32,576)
Profit before income tax		20,937,538	10,986,274	2,264,770	2,891,693
Income tax	19.2	(4,288,009)	(2,359,965)	(84,328)	(32,613)
Profit for the year from continuing operations		16,649,529	8,626,309	2,180,442	2,859,080
Discontinued operations					
Profit for the year from discontinued operations	48	354,241	1,211,742	-	-
Profit for the year		17,003,770	9,838,051	2,180,442	2,859,080

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

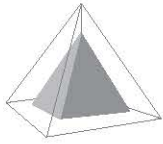
Statement of comprehensive income (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012 (Restated)	2013	2012 (Restated)
Other comprehensive income	39				
Continuing operations					
Gains (losses) on change in value of available-for-sale investments		(408,947)	1,423,056	95,504	66,291
Share of other comprehensive income of associates		(11,107)	35,139	-	-
Income tax relating to components of other comprehensive income	19.2	85,369	(271,299)	(19,100)	(12,993)
Total other comprehensive income from continuing operations (loss)		(334,685)	1,186,896	76,404	53,298
Discontinued operations					
Other comprehensive income from discontinued operations (loss)	48	(110,403)	(351,280)	-	-
Total other comprehensive income (loss)		(445,088)	835,616	76,404	53,298
Total comprehensive income					
Total comprehensive income from continuing operations		16,314,844	9,813,205	2,256,846	2,912,378
Total comprehensive income from discontinued operations		243,838	860,462	-	-
Total comprehensive income		16,558,682	10,673,667	2,256,846	2,912,378
Profit attributable to					
The Company					
Profit for the year from continuing operations		9,050,571	4,891,992	2,180,442	2,859,080
Profit for the year from discontinued operations		180,519	617,496	-	-
Profit for the year attributable to the Company		9,231,090	5,509,488	2,180,442	2,859,080
Non-controlling interests					
Profit for the year from continuing operations		7,598,958	3,734,317	-	-
Profit for the year from discontinued operations		173,722	594,246	-	-
Profit for the year attributable to non-controlling interests		7,772,680	4,328,563	-	-
		17,003,770	9,838,051	2,180,442	2,859,080

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

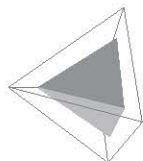
Statement of comprehensive income (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht except earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Total comprehensive income attributable to The Company				
Total comprehensive income from continuing operations	8,912,553	5,540,435	2,256,846	2,912,378
Total comprehensive income from discontinued operations	140,038	445,893	-	-
Total comprehensive income attributable to the Company	9,052,591	5,986,328	2,256,846	2,912,378
Non-controlling Interests				
Total comprehensive income from continuing operations	7,402,291	4,272,770	-	-
Total comprehensive income from discontinued operations	103,800	414,569	-	-
Total comprehensive income attributable to non-controlling interests	7,506,091	4,687,339	-	-
	16,558,682	10,673,667	2,256,846	2,912,378
Earnings per share of the Company	40			
Basic earnings per share (Baht per share)				
From continuing operations	7.34	3.83	1.77	2.24
From discontinued operations	0.15	0.48	-	-
Profit attributable to the Company	7.49	4.31	1.77	2.24
Diluted earnings per share (Baht per share)				
From continuing operations	7.34	3.83	1.77	2.24
From discontinued operations	0.15	0.48	-	-
Profit attributable to the Company	7.49	4.31	1.77	2.24

The accompanying notes are an integral part of the financial statements.



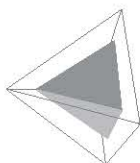
STATEMENTS OF CHANGES IN EQUITY

Thanachart Capital Publics Company Limited and its subsidiaries
Statement of changes in equity
For the year ended 31 December 2013

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to the Company's shareholders														
Other components of equity														
		Amount by which the value of investment in subsidiary lower than attributable net book value			Share of other comprehensive income (losses) of associates		Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		Retained earnings					
		Premium on common share	Premium on treasury share	Share premium of a subsidiary	Investments - net	Revaluation surplus on investments	Share of other comprehensive income (losses) of associates	Income and accumulated in equity relating to assets held for sale	Statutory reserve	Appropriated	Treasury shares reserve	Unappropriated	Treasury shares	Non-controlling interests
Preferred shares	Common shares													Total
133	13,331,407	2,065,645	-	775,614	226,460	579,681	(16,854)	-	1,202,176	387,501	20,096,019	(387,501)	37,422,478	75,681,139
-	-	-	-	-	-	(146,821)	7,274	-	-	-	1,009,734	-	658,475	1,529,852
133	13,331,407	2,065,645	-	775,614	226,460	433,840	(11,360)	-	1,202,176	387,501	21,105,753	(387,501)	38,080,953	77,210,801
-	-	-	-	-	-	-	-	-	-	-	(1,533,396)	-	-	(1,533,396)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
133	12,776,164	2,065,645	185,742	775,614	226,460	885,063	14,237	-	1,277,930	-	25,398,290	-	41,848,479	85,233,657
133	12,776,164	2,065,645	185,742	775,614	226,460	1,057,032	15,693	60,601	1,277,930	-	24,358,604	-	41,017,997	83,789,715
-	-	-	-	-	-	(212,450)	(1,456)	(10,120)	-	-	1,037,698	-	830,482	1,444,142
133	12,776,164	2,065,645	185,742	775,614	226,460	844,692	14,237	40,481	1,277,930	-	25,398,290	-	41,848,479	85,233,657
-	-	-	-	-	-	-	-	-	-	-	-	-	(3,398,455)	(3,398,455)
-	-	-	-	-	-	-	-	-	-	-	(1,873,895)	-	-	(1,873,895)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	3,316	-	-	3,316
-	-	-	-	-	-	-	-	-	-	-	(3,398,455)	-	-	-
-	-	-	-	-	-	-	-	-	-	-	3,398,455	-	-	(1,084,038)
-	-	-	-	-	-	(129,966)	(8,062)	(40,481)	-	-	9,231,060	-	7,600,061	16,556,862
133	12,776,164	2,065,645	185,742	775,614	226,460	714,616	6,185	-	1,277,930	3,398,455	25,398,306	(3,398,455)	48,070,631	95,439,426

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

Tharachart Capital Public Company Limited and its subsidiaries

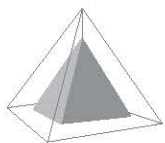
Statement of changes in equity (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht)

Separate financial statements									
Other components									
Issued and paid-up share capital		Premium on common share		Premium on treasury share	Retained earnings		Treasury shares		Total
Preferred shares	Common shares				Investments - net	Statutory reserve	Appropriated Treasury shares reserve	Unappropriated	
133	13,331,407	2,065,845	-	300,712	(60,408)	1,202,176	387,501	11,304,801	(387,501)
-	-	-	-	-	-	-	-	265,346	-
133	13,331,407	2,065,845	-	240,304	-	1,202,176	387,501	11,570,147	(387,501)
-	-	-	-	-	-	-	-	(1,533,396)	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,598	-
-	-	-	-	-	-	75,654	-	(75,654)	-
-	(553,243)	-	165,742	-	-	-	(387,501)	387,501	-
-	-	-	-	53,298	-	-	-	2,859,080	-
133	12,778,164	2,065,845	165,742	293,602	-	1,277,830	-	13,210,276	-
133	12,778,164	2,065,845	165,742	387,003	(73,401)	1,277,830	-	12,977,543	-
-	-	-	-	-	-	-	-	232,733	-
133	12,778,164	2,065,845	165,742	283,602	-	1,277,830	-	13,210,276	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	(1,873,935)	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	3,316	-
-	-	-	-	-	-	-	3,398,455	(3,398,455)	-
-	-	-	-	76,404	-	-	-	2,180,442	-
133	12,778,164	2,065,845	165,742	370,006	-	1,277,830	3,398,455	10,121,644	(3,398,455)
Balance as at 31 December 2013									
26,779,164									

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF CASH FLOWS

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows

For the year ended 31 December 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before income tax from continuing operations	20,937,538	10,986,274	2,264,770	2,891,693
Profit before income tax from discontinued operations	443,187	1,624,808	-	-
	21,380,725	12,611,082	2,264,770	2,891,693
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Share of profit from investments accounted for under equity method	(799,915)	(293,195)	-	-
Depreciation and amortisation	1,499,012	1,624,707	22,308	39,166
Impairment loss of loans and debt securities (reversal)	11,510,520	2,899,817	(34,114)	(32,576)
Increase in provisions	695,830	270,729	413	4,987
Increase (decrease) in allowance for impairment of property foreclosed	88,965	(1,834)	(27,071)	51,772
Increase (decrease) in allowance for impairment of equipment/other assets	133,229	71,177	(397)	(1,527)
Increase (decrease) in allowance for impairment/ revaluation of investments	132,155	(6,960)	(12)	(41,620)
Unrealised loss (gain) on exchange	(316,185)	298,055	-	-
Gain from disposal of/capital return from investments in subsidiary companies	(12,546,700)	(277,610)	(464)	(9,205)
Loss on transfers of assets for debt repayment	-	81,329	-	-
Loss (gain) on disposal of equipment	1,462	14,163	-	(1,862)
Decrease (increase) in accrued other income receivable	(453,268)	(9,812)	3,848	6,021
	21,325,830	17,281,648	2,229,281	2,906,849
Net interest income	(26,556,541)	(24,234,293)	173,345	112,833
Dividend income	(634,072)	(487,955)	(1,969,216)	(2,726,690)
Cash received from interest on operating activities	51,973,388	46,758,730	56,132	62,477
Cash paid for interest on operating activities	(22,486,631)	(16,673,292)	(29)	(47)
Cash received from corporate income tax refundable	1,026,572	-	12,643	-
Cash paid for income tax	(4,062,732)	(3,793,498)	(34,296)	(13,766)
Income from operating activities before changes in operating assets and liabilities	20,585,814	18,851,340	467,860	341,656

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF CASH FLOWS (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of cash flows (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items	(397,990)	(8,817,990)	1,308,361	(4,765,285)
Derivative assets	231,539	859,366	-	-
Investments in trading securities	1,465,822	3,878,783	(1,100)	6,099
Loans to customers	(48,391,129)	(129,872,742)	44,903	1,015,372
Property foreclosed	9,021,609	7,784,818	444,228	323,620
Receivables from purchase and sale of securities	457,046	(1,244,386)	-	664
Reinsurance assets	630,429	1,417,791	-	-
Other assets	2,091,229	(3,485,976)	(21,558)	(21,487)
Increase (decrease) in operating liabilities				
Deposits	22,509,855	257,556,337	-	-
Interbank and money market items	(7,830,766)	27,643,242	10	(243)
Liability payable on demand	(1,770,548)	2,858,497	-	-
Derivatives liabilities	668,870	(2,460,410)	-	-
Payable from purchase and sales of securities	(1,405,768)	2,021,764	-	-
Insurance contract liabilities	(1,976,692)	3,478,360	-	-
Other liabilities	(2,377,955)	(888,753)	(241,992)	40,546
Net cash flows from (used in) operating activities	(6,488,635)	179,580,041	2,000,712	(3,059,058)
Cash flows from investing activities				
Increase in investments in securities	(22,093,177)	(1,381,025)	(4,211,738)	(919,439)
Cash received from interest	3,884,537	4,366,511	403,016	331,896
Cash received from dividend	841,271	685,299	1,969,216	2,726,690
Cash received from disposal of/capital return from subsidiary companies	18,366,774	-	17,617	-
Cash paid for purchase of land and equipment/ intangible assets	(728,867)	(1,030,544)	(5,417)	(8,184)
Cash received from disposal of equipment/ intangible assets	51,956	74,457	-	1,877
Net cash flows from (used in) investing activities	322,494	2,714,698	(1,827,306)	2,132,840

The accompanying notes are an integral part of the financial statements.



STATEMENTS OF CASH FLOWS (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

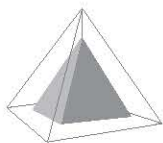
Statements of cash flows (continued)

For the year ended 31 December 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Cash flows from financing activities				
Cash received from debts issued and borrowings	99,800,065	554,884,940	8,700,000	3,000,000
Cash paid for debts issued and borrowings	(80,015,478)	(728,032,101)	(3,000,000)	-
Cash paid for interest expenses on debt issued and borrowings	(4,506,669)	(7,319,421)	(604,332)	(542,984)
Cash paid to non-controlling interest for decrease shares capital of a subsidiary company	(133)	(6,311)	-	-
Cash paid for dividend	(1,870,619)	(1,530,798)	(1,870,619)	(1,530,798)
Cash paid for treasury shares	(3,398,455)	-	(3,398,455)	-
Cash paid for dividend to non-controlling interests	(1,083,863)	(1,115,324)	-	-
Net cash flows from (used in) financing activities	8,924,848	(183,119,015)	(173,406)	926,218
Net increase (decrease) in cash	2,758,707	(824,276)	-	-
Cash at beginning of the year	15,181,402	16,005,678	-	-
Cash at end of the year	17,940,109	15,181,402	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans, other receivable and investments in receivables purchased	8,261,863	5,986,554	1,403	1,161
Property foreclosed received from capital returned from a subsidiary company	-	-	3,518	34,428
Bad debt written off/hair-cut loans from debt restructuring	5,070,864	5,067,147	664	548

The accompanying notes are an integral part of the financial statements.



MANAGEMENT DISCUSSION AND ANALYSIS

Thai Economy, Commercial Banking Industry and Competition in 2013

Thai economy in 2013 grew 2.90 percent, a slowdown compared to 6.50 percent in 2012, in line with household consumption whose growth contracted from 6.70 percent in 2012 to only mere 0.20 percent in 2013. This was a result of high household debt and also farmer income expanded at a low level as a result of the decrease in agricultural product prices which further weakened the purchasing power. Private investment declined 2.80 percent, due to high base in the previous year and investor skepticism toward the domestic economic and political uncertainty. Consequently, Business Confidence Index has been declining continuously. As a result of global economic slowdown, exports declined 0.20 percent, as compared to a 3.10 growth in the previous year. However, tourism experienced a robust growth in 2013, especially from Chinese tourists. Thai baht currency was volatile in 2013, with its strongest at 28.76 baht to US dollar and its weakest at 32.94 baht to US dollar. On average, Thai baht exchange rate in 2013 was 30.70 baht to US dollar. This was due to internal political unrest and USA Quantitative Easing Program, which also resulted in capital outflow. Headline inflation in 2013 was 2.20 percent with core inflation at 1.00 percent, a decrease from last year.

The Office of the National Economic and Social Development Board projected the economic outlook of 2014 with 3.00 - 4.00 percent. The positive factors includes export which has potential to grow following the global economic recovery and tourism which tends to expand continuously although it may have adverse impact from political uncertainty. Headline inflation in 2013 is expected to be in the range of 1.90 - 2.90 percent, due to minimal growth projection in the domestic demand which results in low price pressure and helps support the economic recovery.

Loans in the commercial bank system in 2013 grew at a slower rate, especially in the latter half of the year. Loan growth decelerated from low private consumption and investment, due to high household debt and political uncertainty which resulted in a concern in economic situation. Financial institutions were more cautious in the loan approval process amid the economic slowdown. Deposit side in 2013 still faced high competition to support loan growth and retain existing customers. However, deposits growth decelerated more than loan growth, due to the economic slowdown and demand to invest in tax exempt assets at the end of the year. The Monetary Policy Committee saw the obstacle to the economic recovery and low inflation rate, and thus, issued a resolution to decrease the policy rate twice in 2013 - 0.25 percent each in the 2nd and 4th quarter. Consequently, the policy rate has reduced from 2.75 percent in the beginning of the year to 2.25 percent to support the economic expansion.

Commercial banking industry is expected to grow at a slower rate in 2014, in line with the domestic economy. Loan growth would come from demand of corporate and SME clients amid political restriction. Retail loans will slow down due to high household debt and tightened loan approval process.

Key events in 2013

- Accounting standard effective in 2013 and impact on financial statements

In 2013, the Accounting Standard No. 12 regarding the income taxes was effective and the Company and its subsidiaries implemented this accounting standard. As a result, the subsidiary is required to restate its financial statements as if it had always applied this accounting standard, including at the acquisition date of Siam City Bank (SCIB). The subsidiary has

therefore adjusted the items related to the business combination, which consists of deferred tax assets and deferred tax liabilities related to the assets and liabilities in the accounts of SCIB, the fair value adjustment of SCIB's assets, and intangible assets. The adjustment was to determine the reallocation of cost of business combination. Therefore, the goodwill from business combination increased by 2,202 million baht.

Furthermore, the implementation of such accounting standard caused the Company and its subsidiaries' to restate items at 31 December 2012, including deferred tax assets and deferred tax liabilities which increased by 1,154 million baht and 2,039 million baht respectively. Such restatement impacted the beginning retained earnings in the amount of 1,038 million baht (referred to the notes to financial statements no.3).

- **Disposal of investment in a subsidiary company in 2013**

On 3 May 2013, Thanachart Bank, a subsidiary of the Company, and Prudential Life Assurance (Thailand) Public Company Limited entered into the Share Purchase Agreement signed an exclusive bancassurance agreement in introducing life insurance products and services with a 15 years maturity. TBANK transferred 328,500,000 ordinary shares equivalent to 100 percent of total paid-up shares of TLIFE to Prudential Life Assurance and received payment for shares transfer in the amount of 18,440 million baht with the additional of 500 million baht to be received in 12 months after the date of shares purchase from allowing the buyer to use Thanachart's logo. The additional payment has been amortized and gradually realized as income over the period.

During the year, TBANK therefore recognized such disposal of investment and the total selling price was allocated to the value of the shares and services that TBANK has to provide to the buyer under the Exclusive Bancassurance Agreement, based on the estimated fair value of shares as determined by TBANK's management and other factors. The gain on divestment of 12,281 million baht was realized in the consolidated statements of comprehensive income for the year 2013.

According to the Bancassurance Agreement, TBANK is to recognize such allocated income throughout the period

as specified in the Agreement and to present such allocated service fee as a part of other liabilities-income received in advance. In addition, TBANK has to comply with the terms and conditions as specified in such Agreement.

Therefore, to comply with the requirements of accounting standards, the operating results of TLIFE were separately presented under "profit for the year from discontinued operations" and "other comprehensive income from discontinued operations" in the consolidated statements of comprehensive income for the year 2013 and 2012 (referred to the note to financial statements no. 48).

Financial Position and Operating Results of the Company and Its Subsidiaries

Consolidated financial statements include operating results of the following subsidiary companies

Subsidiary companies directly held by the Company

Thanachart Bank Public Company Limited
NFS Asset Management Company Limited
MAX Asset Management Company Limited
NASSET Property Fund 6
Thiravanit Company Limited
Thanachart SPV 01 Company Limited

Subsidiary companies indirectly held by the Company

SCIB Public Company Limited
Thanachart Securities Public Company Limited
Thanachart Insurance Public Company Limited
Thanachart Life Assurance Public Company Limited*
Thanachart Fund Management Company Limited
Thanachart Broker Company Limited
Thanachart Group Leasing Company Limited
Thanachart Management and Services Company Limited
Thanachart Training and Development Company Limited
TS Asset Management Company Limited
Ratchthani Leasing Public Company Limited
National Leasing Company Limited
Siam City Life Assurance Public Company Limited
SCIB Services Company Limited

Note: * Include the operating results of TLIFE from 1 January 2013 until the date of divestment.

Operating Results Overview

(Unit: Million Baht)

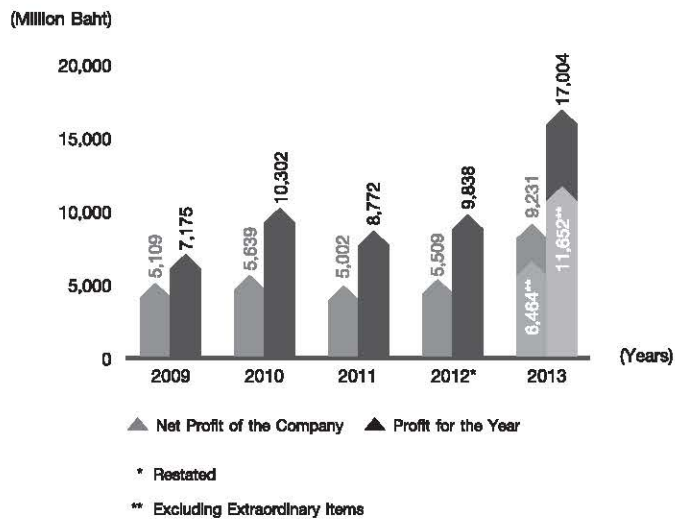
Consolidated Statements of Comprehensive Income	For the Year		Change	
	2013	2012	Increase/ (Decrease)	Percent
Interest Income	54,115	49,081	5,034	10.26
Interest Expenses	27,558	25,786	1,772	6.87
Net Interest Income	26,557	23,295	3,262	14.00
Net Fees and Service Income	6,900	5,089	1,811	35.59
Operating Income ⁽¹⁾	20,466	7,398	13,068	176.64
Other Operating Expenses	21,475	21,896	(421)	(1.92)
Impairment Loss of Loans and Debt Securities	11,510	2,900	8,610	296.90
Profit before Income Tax and Non-controlling Interest	20,938	10,986	9,952	90.59
Income Tax	4,288	2,360	1,928	81.69
Profit after Income Tax	16,650	8,626	8,024	93.02
Profit from Discontinued Operations	354	1,212	(858)	(70.79)
Net Profit for the Year	17,004	9,838	7,166	72.84
Net Profit of the Company	9,231	5,509	3,722	67.56
Profit Attributable to Non-controlling Interests	7,773	4,329	3,444	79.56
Earnings per Share (Baht)	7.49	4.31	3.18	73.78
Weighted Average Number of Ordinary Shares (Million Shares)	1,232.34	1,277.83	(45.49)	(3.56)

Note: ⁽¹⁾ Operating income net insurance expenses

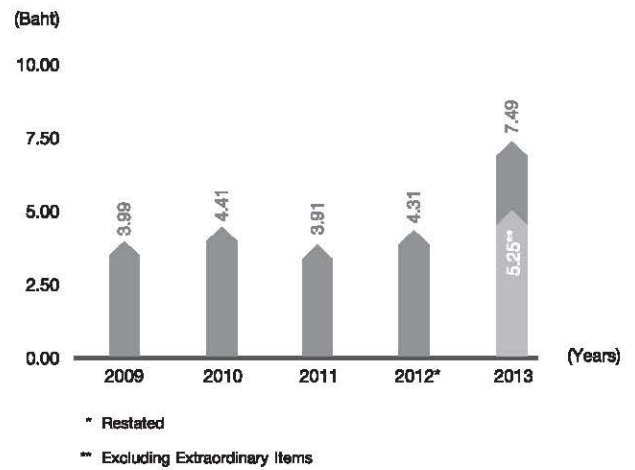
For the year 2013, Thanachart Group had a total net profit according to the consolidated financial statements of 17,004 million baht. Out of the total net profit, 9,231 million baht was the net profit attributable to the Company, an increase of 3,722 million baht or 67.56 percent from the previous year. This was mainly due to the operating results of Thanachart Bank, a subsidiary company, which realized gain on divestment of Thanachart Life Assurance Public Company Limited of 12,281 million baht and provided an additional provision in compliance with the Bank of Thailand's guideline to support the volatility of the economy of 5,380 million baht. The divestment and the additional provision were considered as the key extraordinary items in 2013.

For operating results excluding extraordinary items, Thanachart Group had a total net profit of 11,652 million baht in 2013. Out of the total net profit, 6,464 million baht was the net profit attributable to the Company, an increase of 955 million baht or 17.34 percent from the previous year. The increase in net profit attributable to the Company in 2013 was due to an ability to generate revenue of every company under Thanachart Group, whether in interest or non-interest income, together with prudent expenses management. At the same time, impairment loss of loans and debts securities increased from loss from liquidation of repossessed cars which was a result of the demand-supply in the used car market.

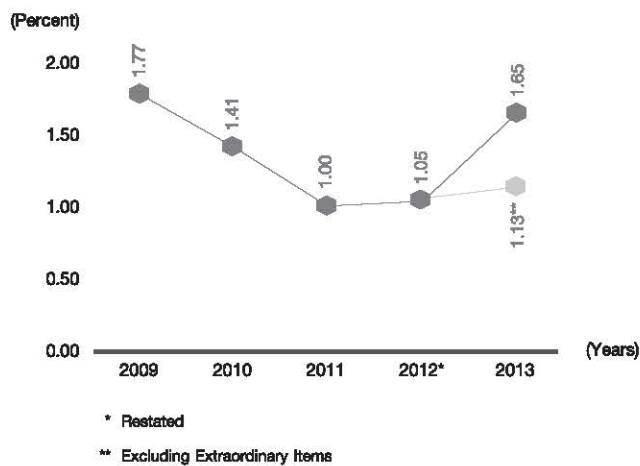
Net Profit of the Company and Profit for the Year



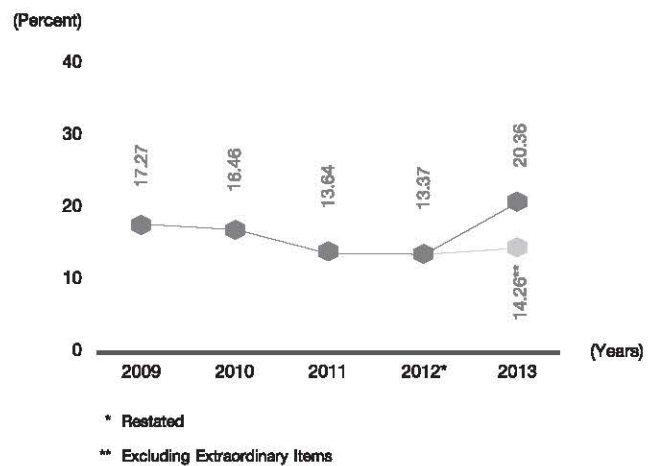
Earnings per Share



Return on Average Assets (ROAA)



Return on Average Equity (ROAE)



Net Interest Income

(Unit: Million Baht)

Net Interest Income	For the Year		Change	
	2013	2012	Increase/ (Decrease)	Percent
Interest Income				
Interbank and Money Market Items	1,871	2,294	(423)	(18.44)
Investments and Trading Transactions	467	491	(24)	(4.89)
Investments in Debt Securities	4,039	3,641	398	10.93
Loans to Customers	21,286	21,500	(214)	(1.00)
Hire Purchase and Financial Lease	26,452	21,155	5,297	25.04
Total Interest Income	54,115	49,081	5,034	10.26
Interest Expenses				
Deposits	17,826	14,531	3,295	22.68
Interbank and Money Market Items	1,463	1,564	(101)	(6.46)
Contribution Fee to the Financial Institution Development Fund/the Deposit Protection Agency	3,598	2,995	603	20.13
Debt Issued and Borrowings	4,662	6,682	(2,020)	(30.23)
Borrowings Cost	9	14	(5)	(35.71)
Total Interest Expenses	27,558	25,786	1,772	6.87
Net Interest Income	26,557	23,295	3,262	14.00

In 2013, net interest income of the Company and its subsidiaries amounted to 26,557 million baht, an increase of 3,262 million baht or 14.00 percent from the previous year. Interest income amounted to 54,115 million baht, an increase of 5,034 million baht or 10.26 percent from the previous year. This was mainly a result of loan growth which grew by 4.75 percent from the end of 2012. Interest expenses amounted to 27,558 million baht, an increase of 1,772 million baht or 6.87 percent from the previous year. This was due to an expansion of deposits and debts issued which grew altogether by 5.40 percent from the end of 2012.

Interest Spread

(Unit: Percent)

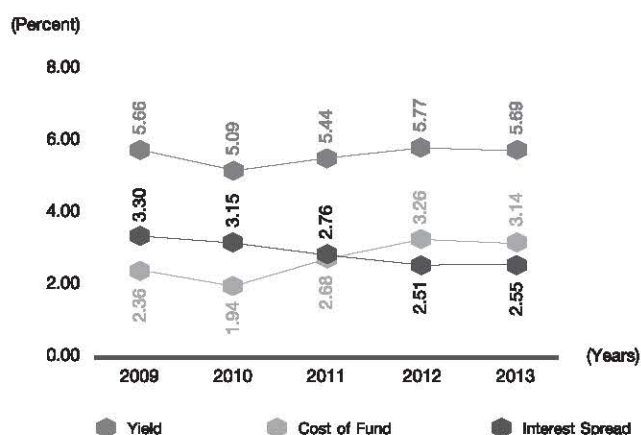
Interest Spread	For the Year	
	2013	2012
Yield ⁽¹⁾	5.69	5.77
Cost of Fund ⁽²⁾	3.14	3.26
Interest Spread	2.55	2.51

Note: ⁽¹⁾ Yield = Total Interest Income/(Average Interbank and Money Market Items with Interest Bearing + Average Net Investments + Average Loans to Customers)

⁽²⁾ Cost of Fund = Total Interest Expenses/(Average Deposits + Average Interbank and Money Market Items with Interest Bearing + Average Debts Issued and Borrowings)

Interest spread in 2013 was 2.55 percent, an increase from 2.51 percent in the previous year.

Yield, Cost of Fund, and Interest Spread



Non-interest Income

(Unit: Million Baht)

Non-interest Income	Year		Change	
	2013	2012	Increase/ (Decrease)	Percent
Fees and Service Income	8,791	6,576	2,215	33.68
Fees and Service Expenses	(1,891)	(1,487)	(404)	27.17
Net Fees and Service Income	6,900	5,089	1,811	35.59
Gains on Tradings and Foreign Exchange Transactions	531	663	(132)	(19.91)
Gains on Investments*	13,592	717	12,875	1,795.68
Share of Profit from Investments in Associated Companies Accounted for Under Equity Method	800	293	507	173.04
Gains on Property Foreclosed and Other Assets	815	1,059	(244)	(23.04)
Net Insurance/Life Insurance Income	2,282	2,147	135	6.29
Dividend Income	634	437	197	45.08
Other Income	1,812	2,082	(270)	(12.97)
Operating Income	20,466	7,398	13,068	176.64
Total Non-interest Income	27,366	12,487	14,879	119.16

Note: * Including 12,281 million baht gain on divestment of TLIFE.

Net Fees and Service Income

For the year 2013, the Company and its subsidiaries' net fees and service income totaled to 6,900 million baht, an increase of 1,811 million baht or 35.59 percent from the previous year. This was mainly due to the increase in the transaction volume of banking business, including the brokerage fees and fund management fees which increased in line with the market situation during the first half of the year.

Operating Income

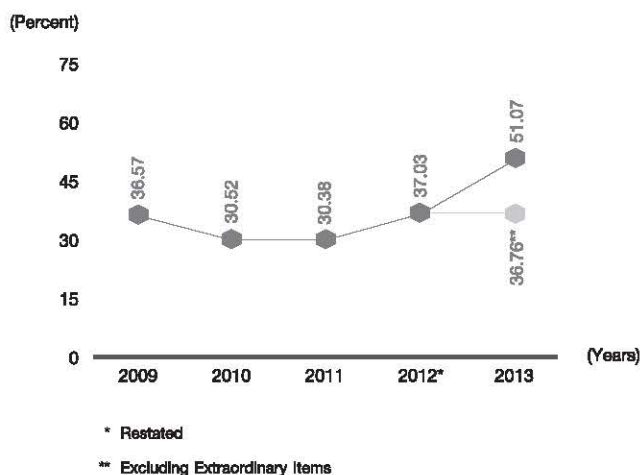
Operating income includes gains on tradings and foreign exchange transactions, gains on investments, share of profit from investments in associated companies accounted for under equity method, gains on property foreclosed and other assets, net insurance/life insurance income, dividend income, and other income.

For the year 2013, the Company and its subsidiaries's operating income amounted to 20,466 million baht, representing an increase of 13,068 million baht or 176.64 percent from the previous year. The main item was TBANK, a subsidiary company, realized gain on divestment of TLIFE amounting to 12,281 million baht. The increase in operating income also came from gains on investments which increased from the liquidation of Vayupak Fund, dividend income which increased from the investment and dividend received at a higher rate, share of profit from investments in associated companies which increased from associated company's profit, and net insurance premium/life insurance premium income which increased from product

offering that suit the customers' needs and an effective claim and cost management.

Non-interest income ratio in 2013 stayed at 51.07 percent, an increase from 37.03 percent of the previous year (if gain on divestment of TLIFE had been excluded, non-interest income ratio would have been 36.76 percent).

Non-Interest Income Ratio



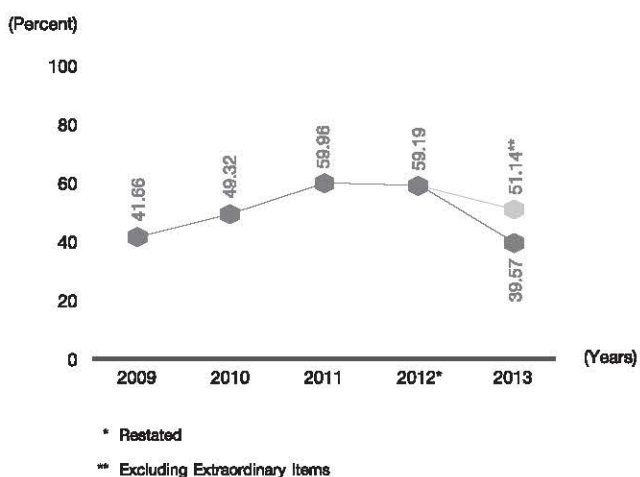
Other Operating Expenses

(Unit: Million Baht)

Other Operating Expenses	For the Year		Change	
	2013	2012	Increase/(Decrease)	Percent
Personnel Expenses	10,600	10,594	6	0.06
Directors' Remuneration	67	57	10	17.54
Premises and Equipment Expenses	3,037	3,158	(121)	(3.83)
Taxes and Duties	899	918	(19)	(2.07)
Other Expenses	6,872	7,169	(297)	(4.14)
Total Other Operating Expenses	21,475	21,896	(421)	(1.92)

In 2013, the Company and its subsidiaries' operating expenses were 21,475 million baht, a decrease of 421 million baht or 1.92 percent from the previous year. This was a result of an effective cost control. Consequently, cost to income ratio in 2013 was at 39.57 percent, a decrease from 59.19 percent of the previous year (if gain on divestment of TLIFE had been excluded, cost to income ratio would have been 51.14 percent).

Cost to Income Ratio



Impairment Loss on Loans and Debt Securities

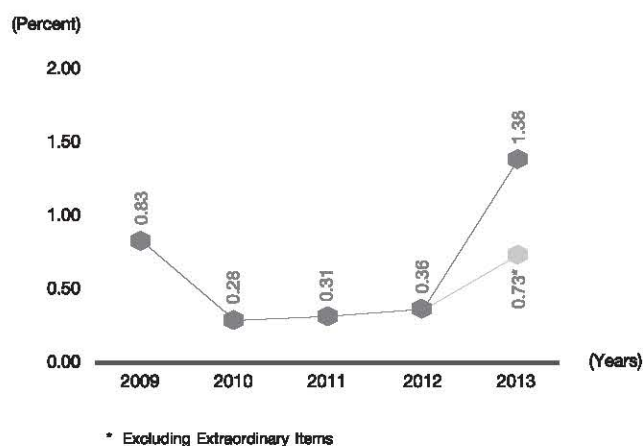
(Unit: Million Baht)

Impairment Loss of Loans and Debt Securities	For the Year		Change	
	2013	2012	Increase/ (Decrease)	Percent
Impairment Loss of Loans	11,490	2,881	8,609	298.82
Loss from Debt Restructuring	4	15	(11)	(73.33)
Loss from Impairment of Debt Securities	16	4	12	300.00
Total Impairment Loss of Loans and Debt Securities	11,510	2,900	8,610	296.90
Credit Cost (Percent)	1.38	0.36	1.02	283.33

In 2013, the Company and its subsidiaries had impairment loss of loans and debt securities amounting to 11,510 million baht, an increase of 8,610 million baht or 296.90 percent from the previous year. During 2013, TBANK, a subsidiary company, provided an additional provision of 5,380 million baht in accordance with the BOT's guideline to support economic uncertainties. Impairment loss of loans and debt securities also increased from provision provided to protect against losses from liquidation of repossessed cars which was a result of demand-supply in used car market, and provision provided for an increase in non-performing loans as a result of the economic slowdown. In addition, there were reserve reversals from debt restructuring and closing accounts of many corporate clients in 2012. Consequently, credit cost in 2013 was at 1.38 percent, an increase from 0.36 percent of 2012 (if the additional provision of 5,380 million baht had been excluded, credit cost would have been at 0.73 percent).

As of 31 December 2013, the ratio of total allowance for doubtful accounts to total non-performing loans (coverage ratio) was at 82.61 percent and the ratio of reserve to required reserve was at 127.36 percent.

Credit Cost



Financial Position

(Unit: Million Baht)

Consolidated Statements of Financial Position	31 December 2013		31 December 2012		Change
	Amount	Percent	Amount	Percent	Percent
Interbank and Money Market Items-net	70,215	6.68	71,978	7.01	(2.45)
Investments-net	147,686	14.05	150,649	14.67	(1.97)
Investments in Associated Companies	2,389	0.23	1,807	0.18	32.21
Loans to Customers and Accrued Interest Receivables	792,189	75.38	756,403	73.67	4.73
Allowance for Doubtful Accounts and Revaluation Allowance for Debt Restructuring	(30,772)	(2.92)	(24,891)	(2.42)	23.63
Intangible Assets from Business Combination-net	2,445	0.23	2,960	0.29	(17.40)
Goodwill	16,726	1.59	16,461	1.60	1.61
Other Assets	50,036	4.76	51,312	5.00	(2.49)
Total Assets	1,050,914	100.00	1,026,679	100.00	2.36
Deposits	715,931	68.12	693,421	67.54	3.25
Interbank and Money Market Items	81,082	7.72	87,777	8.55	(7.63)
Debt Issued and Borrowings	109,290	10.40	89,506	8.72	22.10
Other Liabilities	49,171	4.68	70,741	6.89	(30.49)
Total Liabilities	955,474	90.92	941,445	91.70	1.49
Equity Attributable to owners of the Company	47,369	4.51	43,586	4.24	8.68
Non-controlling Interests	48,071	4.57	41,648	4.06	15.42
Total Equity	95,440	9.08	85,234	8.30	11.97
Total Liabilities and Equity	1,050,914	100.00	1,026,679	100.00	2.36

As of 31 December 2013, Thanachart Group's total assets amounted to 1,050,914 million baht, representing an increase of 24,235 million baht or 2.36 percent from the end of 2012. This was mainly due to the increase in loans to customers and accrued interest receivables which increased by 4.73 percent.

The details of key contributing factors were as follows:

Interbank and Money Market Items (Asset)

As of 31 December 2013, net interbank and money market items amounted to 70,215 million baht, a decrease of 1,763 million baht or 2.45 percent from the end of the previous year.

Investments

(Unit: Million Baht)

Investments Classified by Type	31 December 2013		31 December 2012	
	Amount	Percent	Amount	Percent
Debt Securities				
Government and State Enterprise Securities				
• Trading	5,706	3.80	6,141	4.03
• Available-for-sale	76,880	51.23	55,220	36.22
• Held-to-maturity	11,435	7.62	23,388	15.34
Private Debt Securities				
• Trading	5,266	3.51	5,678	3.72
• Available-for-sale	26,136	17.42	30,315	19.89
• Held-to-maturity	352	0.23	2,731	1.79
Foreign Debt Securities				
• Trading	-	-	620	0.41
• Available-for-sale	14,691	9.79	11,485	7.53
Investment in Receivables Purchased				
• Held-to-maturity	1,358	0.90	1,543	1.01
Total Debt Securities	141,824	94.50	137,121	89.94
Equity Securities				
• Trading	17	0.01	16	0.01
• Available-for-sale	1,119	0.75	7,270	4.77
• General investment	4,005	2.67	4,794	3.14
Total Equity Securities	5,141	3.43	12,080	7.92
Total Securities Investments	146,965	97.93	149,201	97.86
Allowance for Change in Value	1,059	0.71	1,824	1.20
Allowance for Impairment	(338)	(0.23)	(376)	(0.25)
Total Investment-net	147,686	98.41	150,649	98.81
Investments in Associated Companies	2,389	1.59	1,807	1.19
Total Investments	150,075	100.00	152,456	100.00

As of 31 December 2013, the Company and its subsidiaries total investments were 150,075 million baht, which included 147,686 million baht investment in debt and equity securities and 2,389 million baht investments in associated companies. Total investments decreased by 2,381 million baht or 1.56 percent from 2012. This was mainly due to disposal of a subsidiary company and maturity of investment in Vayupak Fund while investment in debt securities increased.

Loans to Customers

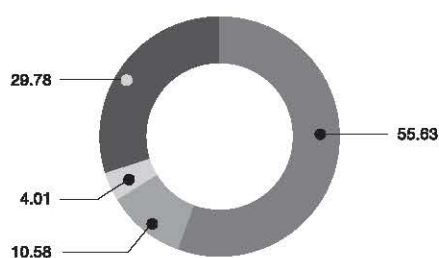
(Unit: Million Baht)

	31 December 2013		31 December 2012	
	Amount	Percent	Amount	Percent
Agricultural and Mining	12,003	1.52	16,655	2.20
Manufacturing and Commerce	81,251	10.27	89,126	11.80
Real Estate and Construction	50,867	6.43	51,573	6.83
Public Utilities and Services	68,452	8.65	63,472	8.40
Personal Consuming				
Hire Purchase	440,177	55.63	396,985	52.55
Housing Loans	83,665	10.58	82,742	10.95
Securities Business	3,317	0.42	2,613	0.35
Others	28,445	3.59	31,302	4.14
Others	23,065	2.91	20,980	2.78
Total Loans to Customers	791,242	100.00	755,448	100.00
Less Intercompany Gain from Loans Transferred	(68)		(118)	
Total	791,174	100.00	755,330	100.00

As of 31 December 2013, loans to customers recorded at 791,174 million baht, an increase of 35,844 or 4.75 percent from the previous year. This was due to an expansion in hire purchase while there were some repayments from corporate and SME clients in accordance to risk management policies. Retail loans to corporate and SME loans portion was 70 to 30 percent.

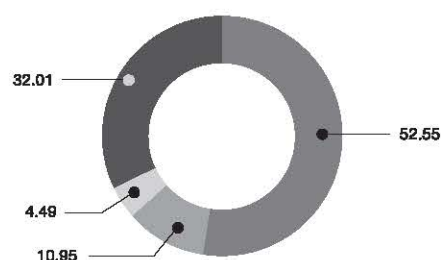
Loan Portion Classified by Type of Business (Percent)

31 December 2013



- Hire Purchase
- Housing
- Other Retails
- Corporate and SME

31 December 2012



- Hire Purchase
- Housing
- Other Retails
- Corporate and SME

Loan Classification

Classified Loan based on the Notification of the Bank of Thailand

Taking into account the Company and its subsidiaries which are financial institutions (including Thanachart Bank and asset management companies), their classified loans and allowance for doubtful accounts in compliance with the Bank of Thailand's notification were as follows:

(Unit: Million Baht)

	Loans and Accrued Interest Receivables				Allowance for Doubtful Account			
	31 Dec 13	Percent	31 Dec 12	Percent	31 Dec 13	Percent	31 Dec 12	Percent
Normal	689,727	90.63	671,689	91.52	7,163	24.76	4,885	20.69
Special Mention	34,909	4.59	28,575	3.89	4,217	14.58	1,475	6.25
Substandard	6,193	0.81	5,312	0.73	2,729	9.44	3,559	15.07
Doubtful	9,336	1.23	4,543	0.62	5,125	17.72	2,394	10.14
Doubtful of Loss	20,826	2.74	23,781	3.24	9,682	33.47	10,801	45.74
Total	760,991	100.00	733,900	100.00	28,916	99.97	23,114	97.89
Additional Allowance for Possible Uncollectibility Debts					8	0.03	499	2.11
Total Allowance	760,991	100.00	733,900	100.00	28,924	100.00	23,613	100.00

Note: Classified loans specified only the Company and its subsidiaries that are under the supervision of the BOT, and eliminated the intercompany transactions.

Classification of Securities Business Receivables in Accordance with the Notification of the Securities and Exchange Commission

Subsidiaries companies that operate securities business classified their debtors' receivables balances in accordance with the Securities and Exchange Commission as follows:

(Unit: Million Baht)

	Receivable Balance		Allowance for Doubtful Accounts	
	31 Dec 13	31 Dec 12	31 Dec 13	31 Dec 12
Normal	3,144	2,440	-	-
Substandard	3	5	2	4
Doubtful	170	168	170	168
Total	3,317	2,613	172	172

Hire Purchase Receivables/Financial Lease Receivables of Subsidiaries Classified by Aging

Debtors of subsidiary companies which operate hire purchase business and long-term financial lease classified by aging of loans counting from the date of contracts (after elimination of intercompany transactions) were as follows:

(Unit: Million Baht)

	31 Dec 13	31 Dec 12
Current or Overdue not Over 90 Days	26,645	19,254
Overdue 91 - 365 Days	712	249
Overdue more than 1 Year	62	64
Debtors under Legal Actions	288	233
Total	27,707	19,800
Allowance for Doubtful Accounts Provided in the Accounts	1,370	757

Non-performing Loans (NPLs)

(Unit: Million Baht)

	31 Dec 13	31 Dec 12
NPLs	37,540	34,307
NPL-net	18,769	16,834
NPL-gross to Total Loans (Percent)	4.49	4.32
NPL-net to Total Loans (Percent)	2.30	2.17
Coverage Ratio (Percent)	82.61	73.19

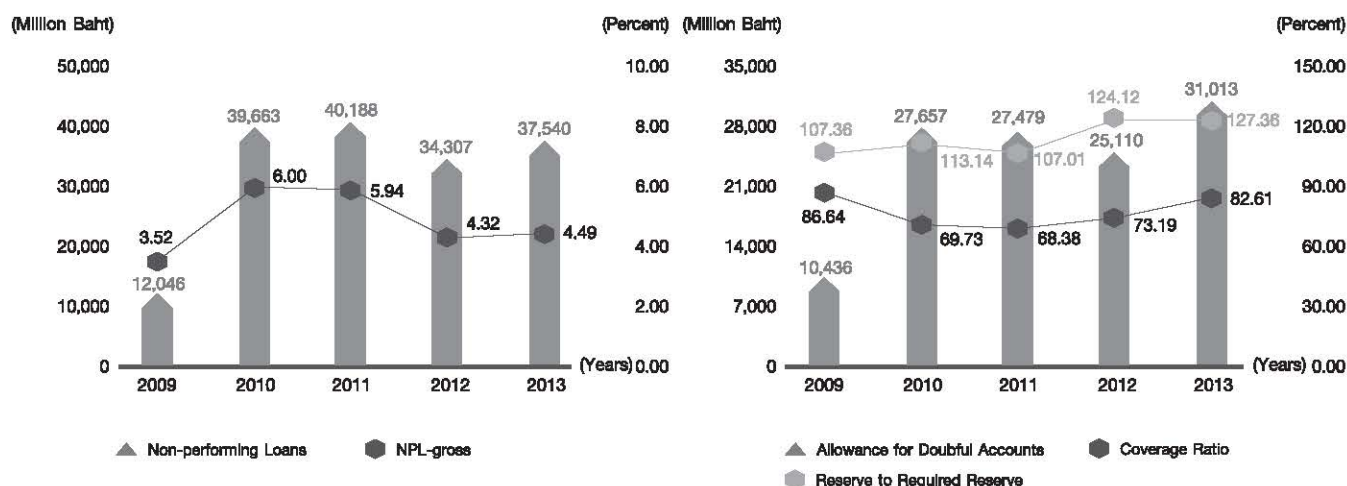
As of 31 December 2013, NPLs amounted to 37,540 million baht, an increase of 3,233 million baht or 9.42 percent from the end of the previous year. This was due to the economic slowdown and growing hire purchase loan volume which resulted in the increase in NPLs.

Allowance for Doubtful Accounts

As of 31 December 2013, the Company and its subsidiaries had the allowance for doubtful accounts amounting to 31,013 million baht, an increase of 5,903 million baht or 23.51 percent from the previous year. The allowance for doubtful accounts included 30,467 million baht allowance for retail and corporate clients, 241 million baht allowance for financial institution clients, and 305 million baht allowance for the revaluation from debt restructuring. Total allowance for doubtful account of 31,013 million baht equaled 127.36 percent of the reserve required by the BOT. In addition, the ratio of the allowance for doubtful accounts to NPLs (coverage ratio) was at 82.61 percent.

Non-performing Loans (NPLs)

Allowance for Doubtful Accounts



Debt Restructuring

As of 31 December 2013, the Company and its subsidiaries had 1,867,145 debtors in total, of which 44,770 were restructured debtors with outstanding balance of 31,023 million baht and outstanding balance after collateral of 16,055 million baht. During 2013, the Company and its subsidiaries have entered into debt restructuring agreements with debtors in the total amount of 4,856 debtors whose outstanding balance before restructuring amounted to 11,425 million baht.

Properties Foreclosed

As of 31 December 2013, the properties foreclosed, which were stated at cost, of the Company and its subsidiaries amounted to 9,879 million baht, accounting for 0.94 percent of the total assets. The properties foreclosed were taken into account the allowance for impairment of 852 million baht, accounting for or 8.62 percent of total value at cost.

Capital Expenditure

As of 31 December 2013, the Company and its subsidiaries invested 729 million baht in land, premises and equipment as well as intangible assets. Most of the investments were for fixtures, equipment, and computer software.

Liquidity

As of 31 December 2013, the Company and its subsidiaries had cash amounting to 17,940 million baht. The details about the net cash-flows received from various activities were as follows:

- The net cash flows from operating activities were 6,489 million baht, mainly due to 20,589 million baht in profit from operation. The key changes in operating assets and liabilities included the increase of 398 million baht in interbank and money market items (assets); the decrease of 1,466 million baht in investments in trading securities; the decrease of 232 million baht in derivative assets; the increase of 48,391 million baht in loans to customers; the decrease of 9,022 million baht in properties foreclosed; the decrease of 457 million baht in receivables from purchase and sale of securities; the decrease of 630 million baht in reinsurance asset; the increase of 22,510 million baht in deposits; the decrease of 7,831 million baht in interbank and money market items

(liabilities); the decrease of 1,771 million baht in liabilities payable on demand; the increase of 669 in derivatives liabilities; the decrease of 1,406 million baht in payable from purchase and sale securities; and the decrease of 1,977 million baht in insurance contract liabilities.

- The net cash flows from investing activities amounted to 322 million baht. The cash receipts mostly included the increase of 22,093 million baht in investments in securities; 3,884 million baht received from interest; 841 million baht received from dividend; 18,367 million baht from cash received from disposal of a subsidiary of/capital return from subsidiary companies; and 52 million baht received from the disposal of equipment/intangible assets. On the other hand, the cash payments included 729 million baht paid for purchase of land and equipment/intangible assets.

- The net cash flows from financing activities amounted to 8,925 million baht. The cash receipts amounted to 99,800 million baht from debt issued and borrowings. On the other hand, the cash payments included 80,015 million baht paid for debts issued and borrowings; 4,507 million baht paid for interest expenses on debts issued and borrowings; 1,871 million baht paid for dividend; 1,084 million baht paid for dividend to non-controlling interest; and 3,398 million baht paid for treasury shares repurchased.

Source of Fund

Capital Structure

The Company and its subsidiaries' sources of funds come from two sources which are liabilities and shareholders' equity. As of 31 December 2013, the Company and its subsidiaries recorded funds from liabilities and shareholders' equity of 955,474 million baht and 95,440 million baht, which accounted for 90.92 percent and 9.08 percent of total capital funds respectively. The ratio of debts to equity was at 10.01 times or in another words, debts accounted for 10.01 times over the operating capital. The important components of funds from liabilities consisted of deposits which accounted for 74.93 percent of funds from liabilities while interbank and money market items, debt issued and borrowings, and other liabilities accounted for 8.49 percent, 11.44 percent, and 5.14 percent respectively.

Liabilities

(Unit: Million Baht)

Total Liabilities	31 December 2013		31 December 2012	
	Amount	Percent	Amount	Percent
Deposits	715,931	74.93	693,421	73.66
Interbank and Money Market Items	81,082	8.49	87,777	9.32
Debt Issued and Borrowings	109,290	11.44	89,506	9.51
Other Liabilities	49,171	5.14	70,741	7.51
Total Liabilities	955,474	100.00	941,445	100.00

Total liabilities of Thanachart Group as of 31 December 2013 were 955,474 million baht, an increase of 14,029 million baht or 1.49 percent from the end of 2012. The key items were as follows:

- Interbank and money market items were in the amount of 81,082 million baht, a decrease of 6,695 million baht or 7.63 percent from the end of previous year.

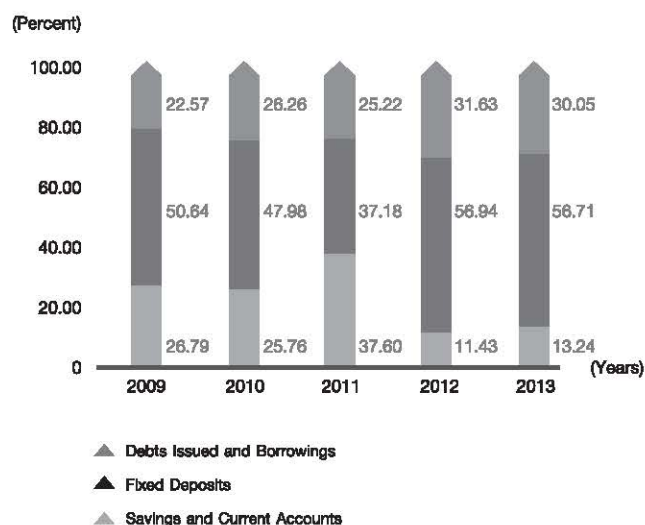
The Details of Deposits and Debts Issued and Borrowings

(Unit: Million Baht)

Deposits and Debts Issued and Borrowings	31 December 2013		31 December 2012		Change
	Amount	Percent	Amount	Percent	Percent
Current	8,759	1.06	8,504	1.09	3.00
Saving	239,189	28.99	239,104	30.54	0.04
Certificates of Deposit	3,241	0.39	2	-	161,950
Fixed Deposits					
Less than 6 Months	99,454	12.05	115,133	14.70	(13.62)
6 Months and up to 1 Year	167,756	20.33	202,747	25.90	(17.26)
Over 1 Year	197,532	23.94	127,931	16.34	54.41
Total Fixed Deposits	464,742	56.32	445,811	56.94	4.25
Total Deposits	715,931	86.76	693,421	88.57	3.25
Debt Issued and Borrowings	109,290	13.24	89,506	11.43	22.10
Total deposits and Debt Issued and Borrowings	825,221	100.00	782,927	100.00	5.40

- Deposits and debt issued and borrowings were 825,221 million baht, an increase of 42,294 million baht or 5.40 percent from the end of previous year. This was due to the issuance of debentures by the Company and its subsidiaries as well as the expansion of fixed deposits.

Total Deposit and Debts Issued and Borrowings Breakdown



- The ratio of current and savings accounts to total deposits and debt issued and borrowings (CASA ratio) was at 30.05 percent, a decrease from 31.63 percent. This was due to the change in deposits portfolio by having longer duration deposits to deal with the fluctuation in market interest rate.

Shareholders' Equity

Shareholders' equity as of 31 December 2013 was 95,440 million baht, an increase of 10,206 million baht or 11.97 percent from the end of 2012. This can be broken down as follows:

- Equity attributable to the owners of the Company was 47,369 million baht, an increase of 3,783 million baht or 8.68 percent. This was mainly due to an increase in operating profit of the Company and its subsidiaries, which amounted to 9,231 million baht in 2013; cash paid for treasury stocks amounting to 3,398 million baht during the second quarter of 2013; dividend payment of 1,150 million baht paid for the second half of 2012; and interim dividend payment of 724 million baht paid for the first six-month of 2013.
- Non-controlling interests were 48,071 million baht, an increase of 6,423 million baht or 15.42 percent, mainly due to the operating results of subsidiary companies.

Percentage of Shareholding and Performance of Significant Subsidiaries based on Their Respective Financial Statements

(Unit: Million Baht)

Subsidiary Companies	Shareholding Direct/Indirect (Percent)	Net Profit for the Year	
		2013	2012*
Thanachart Bank Public Company Limited			
Consolidate Financial Statements		15,385	8,354
Separate Financial Statements	50.96	14,113	6,855
Thanachart Securities Public Company Limited	50.96	801	462
Thanachart Fund Management Company Limited	38.22	285	141
Thanachart Insurance Public Company Limited	50.96	953	616
TS Asset Management Company Limited	50.96	404	1,756
Ratchthani Leasing Public Company Limited	33.22	754	477
NFS Asset Management Company Limited	100.00	296	435
MAX Asset Management Company Limited	83.44	103	279

Note: * Restated financial statements

Financial Position and Operating Results of Subsidiary Companies

Thanachart Bank Public Company Limited

Operating Results Overview

(Comparing consolidated financial statements of the year 2013 and 2012)

(Unit: Million Baht)

Statements of Comprehensive Income	2013	2012	Change from 2012	
			Increase/ (Decrease)	Percent
Interest Income	53,887	48,736	5,151	10.57
Interest Expenses	27,234	25,556	1,678	6.57
Net Interest Income	26,653	23,180	3,473	14.99
Net Fees and Service Income	6,903	5,070	1,833	36.15
Other Operating Income ⁽¹⁾	18,569	5,816	12,753	219.28
Other Operating Expenses ⁽²⁾	21,259	21,660	(401)	(1.85)
Profit (Loss) before Impairment Loss of Loans and Debt Securities	30,865	12,406	18,459	148.80
Impairment Loss of Loans and Debt Securities	11,587	2,980	8,608	288.91
Profit (Loss) before Income Tax	19,278	9,427	9,851	104.51
Income Tax	4,031	2,076	1,955	94.20
Profit for the Year from Continued Operations	15,247	7,351	7,896	107.42
Profit for the Year from Discontinued Operations	354	1,212	(858)	(70.77)
Net Profit	15,601	8,563	7,039	82.21
Profit Attributable to the Bank	15,385	8,354	7,031	84.16
Non-controlling Interests	216	208	8	3.68
Earnings per Share (Baht)	2.79	1.52		
Weighted Average Number of Ordinary Shares (Million Shares)	5,513.66	5,513.66		

Note: ⁽¹⁾ Net Insurance Expenses

⁽²⁾ Excluding Insurance Expenses

TBANK and its subsidiaries had a net profit of 15,601 million baht for the year 2013 of which 15,385 million baht was a net profit attributable to the Bank, which representing an increase of 7,031 million baht or 84.16 percent from the end of the previous year. This was due to disposal of investment in a subsidiary company net special provision. If such extraordinary items had been excluded, TBANK and its subsidiaries would have had a net profit attributable to the Bank of 10,101 million baht in 2013, an increase of 1,747 million baht or 20.91 percent from the end of previous year. The key contributing factors included the following:

- **Interest spread** increased to 2.59 percent from 2.48 percent of the previous year. Yield on earning assets was 5.76 percent, a decrease from 5.82 percent, a result of two-time adjustment of policy rate from 2.75 percent to 2.50 percent in the Second quarter of 2013 and again to 2.25 percent during the last quarter of 2013. Yield was also dampened from the stop accrued of interest income from non-performing loans. Cost of fund was at 3.17 percent, a decrease from 3.34 percent. This was a result of effective management of cost and liquidity which was suitable to business expansion and competition environment. The downward adjustment on the policy rate was also the cause of the cost of fund reduction.

- **Non-interest income** (excluding extraordinary items) increased by 12.50 percent. This was due to fees from banking and securities businesses, gains on investments, and dividend income. Non-interest income ratio in 2013 was at 33.80 percent and non-interest income to average assets ratio which excludes the impact from interest spread was at 1.33 percent.

- **Expenses were controlled and managed** under strict cost control policy. As a result, cost to income ratio in 2013 was at 52.80 percent, a decrease from 61.40 percent. Operating expenses to average assets was at 2.08 percent.

- **The ratio of allowance for doubtful accounts to total loans** (Credit Cost) in 2013 was 0.78 percent (excluding special provision of TBANK and its subsidiaries), an increase from 0.40 percent of the previous year. This was due to impairment of repossessed cars which was affected by the used car market conditions. Non-performing loans of TBANK and its subsidiaries as of 31 December 2013 was 35,313 million baht, an increase from 32,501 million baht at the end of previous year. This was due to growth in hire purchase loans. Furthermore, non-performing loans also increased from corporate loan accounts, which TBANK has already fully provisioned for, and therefore, resulted in no impact on TBANK's financial statements. NPL to total loans was at 4.23 percent, as compared to 4.10 percent of the previous year.

- **Capital adequacy** as of 31 December 2013, TBANK's total capital according to Basel III regulation was 110,683 million baht, of which 70,818 million baht was Tier 1 (including common equity tier 1 and additional tier 1) and 39,865 million baht was Tier 2. BIS ratio was at 14.80 percent, as compared to 13.99 percent at the end of 2012. TBANK's capital already included the operating results of the first 6-months period of 2013. Capital was also affected by the change from Basel II to Basel III and the dividend payment made in April 2013.

Net Interest Income

In 2013, TBANK and its subsidiaries' net interest income was 26,653 million baht, an increase of 3,473 million baht or 14.99 percent from the previous year. Interest income amounted to 53,887 million baht, an increase of 5,151 million baht or 10.57 percent. Interest expenses were 27,234 million baht, an increase of 1,678 million baht or 6.57 percent. Consequently, interest spread in 2013 was at 2.59 percent, an increase from 2.48 percent in the previous year.

Non-interest Income

Non-interest income includes net fees and service income, net insurance/life insurance income, and other operating income. Non-interest income was 13,610 million baht, an increase of 1,512 million baht or 12.50 percent from the previous year. Non-interest income ratio in 2013 was at 33.80 percent and non-interest income to average assets which excludes the impact from interest spread was at 1.33 percent. Details are as follows:

- **Net fee and service income**

TBANK and its subsidiaries' net fees and service income was 6,903 million baht, an increase of 1,833 million baht or 36.15 percent, due to an increase in customer base and an increase in number of products of TBANK and its subsidiaries. Fees and service income was 8,793 million baht, an increase of 2,237 million baht or 34.13 percent while fees and service expenses were 1,890 million baht, an increase of 405 million baht or 27.24 percent.

- **Other operating income**

Other operating income includes gains (losses) on tradings and foreign exchange transactions, gains on investments, share of profit from investment in associated companies accounted for under equity method, dividend income, gains on property foreclosed and other assets, net insurance/life insurance income, and other income. In 2013, other operating income totaled to 6,707 million baht, a decrease of 321 million baht or 4.56 percent. This was mainly due to gain on sale of investment in TLIFE while the absence of income generated from TLIFE was compensated by fees income from bancassurance. Gains on investments increased due to maturity of Vayupak Fund. Net insurance/life insurance income, dividend income, and share of profit from investment in associated companies accounted for under equity method increased.

Operating Expenses

In 2013, TBANK and its subsidiaries' operating expenses were 21,259 million baht, a decrease of 401 million baht or 1.85 percent. This was a result of effective cost management. Cost to income ratio in 2013 was at 52.80 percent, a decrease from 61.40 percent. The ratio of operating expenses to average assets was at 2.08 percent.

Impairment Loss of Loans and Debt Securities

In 2013, TBANK and its subsidiaries' impairment loss of loans and debt securities (excluding special provision of TBANK and its subsidiaries) was 6,207 million baht. Credit cost was at 0.78 percent, an increase from 0.40 percent of the previous year. This was a result of impairment loss from liquidation of repossessed cars, an impact from demand-supply in used car market.

Financial Position of TBANK and Its Subsidiaries

(Unit: Million Baht)

Financial Position	31 December 2013	31 December 2012	Change from 2012	
			Increase /(Decrease)	Percent
Asset				
Cash	17,940	15,181	2,759	18.17
Interbank and Money Market Items-net	69,697	71,963	(2,266)	(3.15)
Investments-net	138,825	146,106	(7,281)	(4.98)
Net Loans and Accrued Interest Receivables	760,943	731,010	29,933	4.10
Property Foreclosed-net	6,291	6,461	(170)	(2.63)
Land, Premises and Equipments-net	8,037	8,292	(255)	(3.08)
Goodwill	17,951	17,951	0	0.00
Other Assets	18,665	21,656	(2,991)	(13.81)
Total Assets	1,038,349	1,018,620	19,729	1.94

As of 31 December 2013, TBANK and its subsidiaries' total assets were 1,038,349 million baht, an increase of 19,729 million baht or 1.94 percent. This was due to net loans and accrued interest receivables which increased by 29,933 million baht or 4.10 percent, particularly hire purchase loans which grew by 10.96 percent from the previous year. Retail loans to corporate and SME loans was 69 percent to 31 percent.

(Unit: Million Baht)

Financial Position	31 December 2013	31 December 2012	Change from 2012	
			Increase /(Decrease)	Percent
Liability and Shareholders' Equity				
Deposits	719,079	698,372	20,707	2.97
Interbank and Money Market Items-net	81,082	87,777	(6,695)	(7.63)
Liability Payable on Demand	3,219	4,989	(1,770)	(35.48)
Debts Issued and Borrowings	92,229	78,149	14,080	18.02
Provisions	3,146	2,976	170	5.71
Insurance Contract Liabilities	15,019	39,632	(24,613)	(62.10)
Other Liabilities	27,335	22,540	4,795	21.27
Total Liabilities	941,109	934,435	6,674	0.71
Equity Attributable to the Owner of the Bank	96,218	83,330	12,888	15.47
Non-controlling Interests	1,022	856	166	19.39
Total Liabilities and Shareholders' Equity	1,038,349	1,018,620	19,729	1.94

As of 31 December 2013, TBANK and its subsidiaries total liabilities were 941,109 million baht, an increase of 6,674 million baht or 0.71 percent from the end of 2012. This was mainly due to the following:

- Deposits were 719,079 million baht, an increase of 20,707 million baht or 2.97 percent from 2012. This was due to deposit acquisition through Ultra Saving product, short-term fixed deposits, and special rate fixed deposits. During the year,

product deposit strategy was adjusted to have products and interest rate appropriate with the policy rate adjustment and business competition.

- Interbank and money market items were 81,082 million baht, a decrease of 6,695 million baht or 7.63 percent, a result of liquidity management.

- Debt issuance and borrowings were 92,229 million baht, an increase of 14,080 million baht or 18.02 percent, due to short-term debenture issuance.

Shareholders' equity of TBANK and its subsidiaries as of 31 December 2013 was 96,218 million baht, an increase of 12,888 million baht or 15.47 percent from the end of 2012. The increase was mainly due to the net profit from 2013 performance. There was a dividend payment from 2012 performance at 0.37 baht per share, totaling to 2,040 million baht.

Capital Adequacy Ratio

As of 31 December 2013, TBANK had the total capital of 110,683 million baht, of which 70,818 million baht was Tier 1 capital and 39,865 million baht was Tier 2 capital. BIS ratio was at 14.80 percent, an increase from 13.99 percent in the previous year. Tier 1 capital was at 9.47 percent and Tier 2 capital was at 5.33 percent. TBANK's capital increased from the profit of the first 6-months 2013 operating results. On the other hand, TBANK's capital was affected by the change from Basel II to Basel III and dividend payment in April 2013.

However, the BIS ratio was well above the BOT minimum requirement that requires commercial banks to maintain the BIS ratio of not less than 8.50 percent. The details of capital adequacy were as follows:

Capital Adequacy Ratio

	31 December 2013		31 December 2012	
	Million Baht	Percent	Million Baht	Percent
Tier 1 Capital	70,818	9.47	61,546	8.49
Total Capital	110,683	14.80	101,417	13.99

Thanachart Securities Public Company Limited

The average daily trading volume of Thanachart Securities Public Company Limited in 2013 was 4,074 million baht, a substantially increase from the daily trading volume in the previous year of 2,711 million baht. The increase was in line with the capital market condition. Market share in this year was at 4.63 percent.

Net profit for the year ended 31 December 2013 was 801 million baht, an increase of 338 million baht or 73.25 percent from the previous year. Total income amounted to 2,403 million baht, an increase of 46.11 percent. The main source of income came from brokerage income which totaled to 1,828 million baht, fees and service income amounting to 152 million baht, and interest income from margin loans amounting to 205 million baht. On the other side, financial costs and operating expenses were 1,410 million baht, an increase of 33.73 percent from the previous year in line with a growing business volume and income.

As of 31 December 2013, Net Capital Ratio (NCR) was at 94.07 percent higher than the minimum requirement of the Securities and Exchange Commissions (SEC) of 7.00 percent.

Thanachart Fund Management Company Limited

At the end of 2013, Thanachart Fund Management Company Limited had asset under management amounting to 134,410 million baht, an increase of 12,389 million baht or 10.15 percent from the end of 2012. Asset under management comprised of 78.35 percent mutual funds, 7.83 percent provident funds, and 13.81 percent private funds.

For operating results of 2013, the company had a net profit of 285 million baht, an increase of 145 million baht or 103.57 percent from the year 2012. This was mainly due to the higher sales volume of equity fund and flexible fund than that of 2012.

Thanachart Insurance Public Company Limited

Thanachart Insurance Public Company Limited had a net profit for the year 2013 of 953 million baht, an increase of 337 million baht or 54.70 percent from the year 2012. The key contribution factors were given to a focus on profitable products, claims management, and an effective operating cost management.

TS Asset Management Company Limited

In 2013, TS Asset Management Company Limited has restructured debts in accordance with policy and business plan of Thanachart Group. As at 31 December 2013, the company's total assets were 9,058 million baht. For the operating result of the year 2013, the company had a net profit of 404 million baht, due to the income from debt repayment of 850 million baht. Interest expenses amounted to 178 million baht while income from selling properties foreclosed and other income were 111 million baht. Operating expenses were 161 million baht and provision expenses amounted to 103 million baht. However, the company was able to restructure 257 loan accounts. Income from debt restructuring was 819 million baht.

Ratchthani Leasing Public Company Limited

As at 31 December 2013, Ratchthani Leasing Public Company Limited had total assets of 27,296 million baht, an increase of 8,081 million baht or 42.06 percent from the end of 2012. This was due to an expansion of hire purchase loans, particularly from trucks. At the end of 2013, hire purchase loans of the company recorded at 26,592 million baht, an increase of 7,933 million baht or 42.52 percent from the end of 2012, accounting for 97.42 percent of total assets. Total

liabilities and shareholders' equity were 24,072 million baht and 3,223 million baht respectively.

Net profit for the year 2013 amounted to 754 million baht, an increase of 277 million baht or 57.99 percent from the previous year. Total income for the year 2013 was 2,397 million baht, an increase of 814 million baht or 51.37 percent from the previous year. The increase was due to the domestic automotive industry growth and the continuous hire purchase loan base expansion of the company. Interest expenses were 917 million baht, an increase of 245 million baht or 36.36 percent. The increase was due to an increase in additional borrowings to support loan growth. Impairment loss of loans of the company was 269 million baht, an increase of 188 million baht or 231.24 percent, due to the domestic economic condition in the last quarter of 2013 showing a clear sign of a slowdown and also the additional provision provided in accordance with the large expansion of hire purchase loan growth of the company.

NFS Asset Management Company Limited

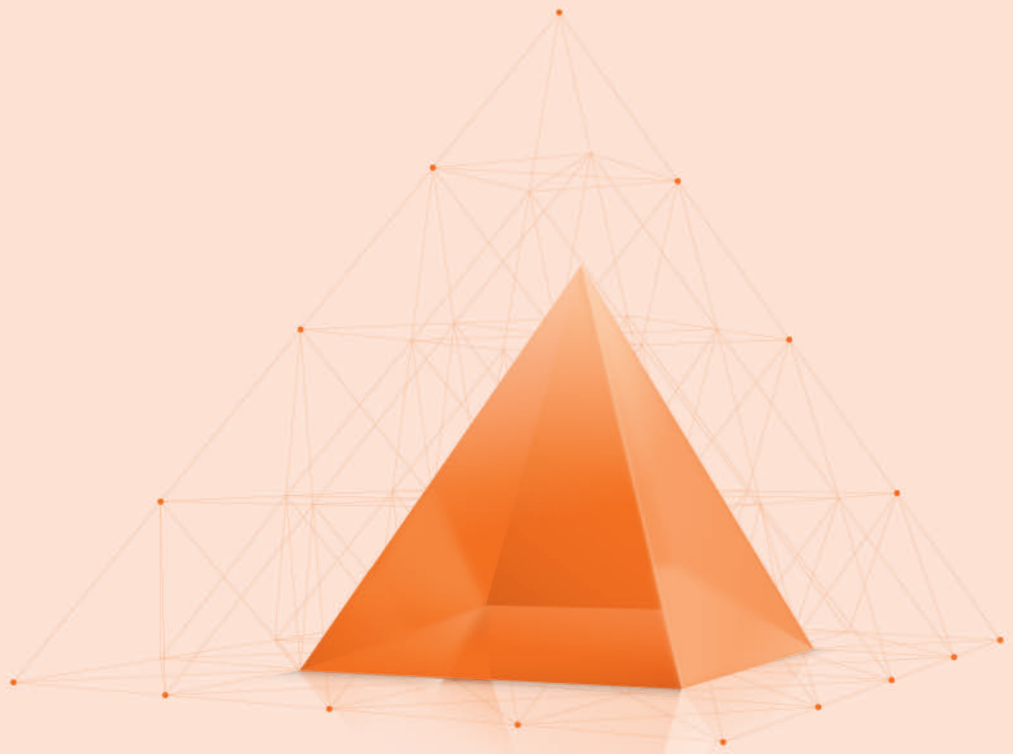
As of 31 December 2013, NFS Asset Management Company Limited had total assets of 2,126 million baht, a decrease of 459 million baht or 17.76 percent from the end of 2012.

Net profit for the year 2013 amounted to 296 million baht, a decrease of 139 million baht or 31.95 percent from the previous year. Of the total income, the income from debt restructuring was 50 million baht, a decrease of 359 million baht from 2012. Gains on properties foreclosed were 138 million baht and other income was 109 million baht. There was a reversal of allowance for impairment loss of loans amounted to 43 million baht, a result of debt restructuring and debt settlement in 2013. Operating expenses in 2013 amounted to 47 million baht.

MAX Asset Management Company Limited

As of 31 December 2013, MAX Asset Management Company Limited had total assets of 946 million baht, a decrease of 99 million baht or 9.47 percent from the end of 2012.

The company's net profit was 103 million baht, a decrease of 176 million baht or 63.08 percent from the year 2012. The income from loans totaled to 53 million baht and gains on properties foreclosed were 93 million baht. Operating expenses recorded at 18 million baht in 2013.



SMART GROWTH



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