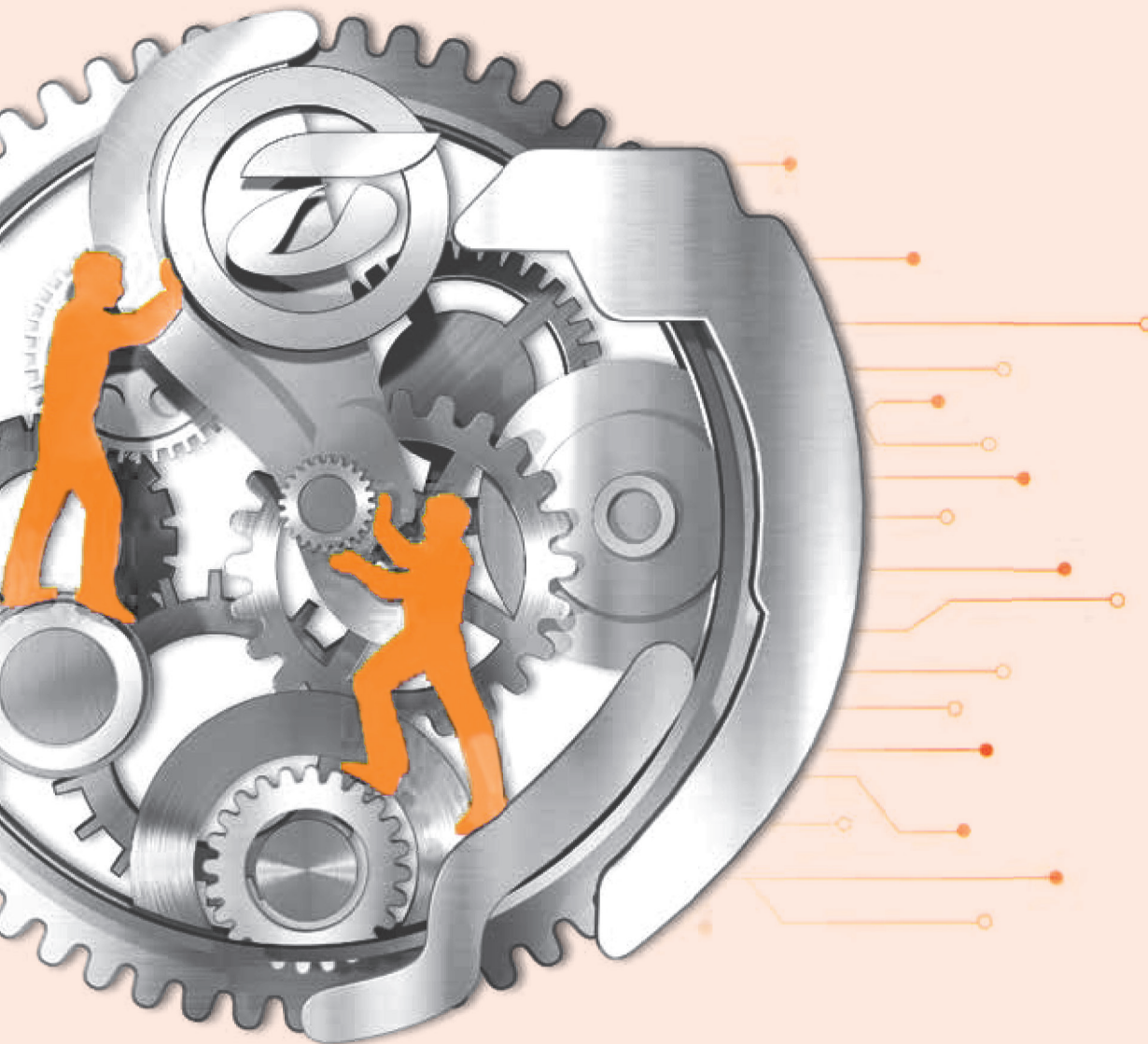


Thanachart Capital Public Company Limited

Financial Summary

Management Discussion and Analysis

For the year 2014



Supporting Documents for 2015 Annual General Shareholders' Meeting

Thursday 2 April 2015, at 14.00 hours,

the Athenee Crystal Hall 3rd Floor,

Plaza Athenee Bangkok, A Royal Meridien Hotel

61 Wireless Road, Lumpini,

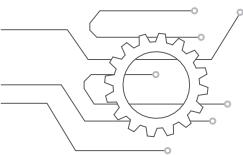
Pathumwan, Bangkok

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For more information, please contact the Company Secretary Office

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

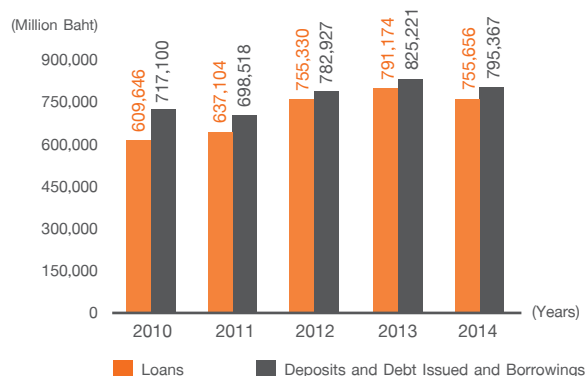


FINANCIAL HIGHLIGHTS

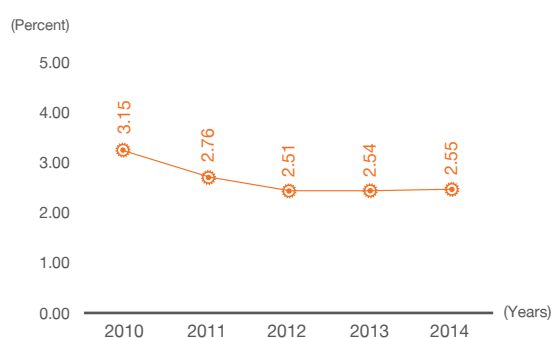
As at and for the year ended 31 December

	CONSOLIDATED				
	2014	2013	2012	2011	2010
Operating Performance (Million Baht)					
Interest Income	52,940	54,108	49,081	44,258	35,027
Interest Expenses	25,475	27,615	25,786	19,943	11,998
Net Interest Income	27,465	26,493	23,295	24,315	23,029
Non-interest Income	12,443	26,488	12,487	10,610	10,117
Net Operating Income ⁽¹⁾	39,908	52,981	35,782	34,925	33,146
Other Operating Expenses	19,830	20,624	21,896	20,940	16,347
Impairment Loss of Loans and Debt Securities	7,084	11,419	2,900	2,077	1,653
Profit before Income Tax	12,994	20,938	10,986	11,908	15,146
Income Tax	2,558	4,288	2,360	3,136	4,844
Profit for the Year from Continuing Operations	10,436	16,650	8,626	8,772	10,302
Profit for the Year from Discontinued Operations	-	354	1,212	-	-
Profit for the Year	10,436	17,004	9,838	8,772	10,302
Net Profit of the Company	5,120	9,231	5,509	5,002	5,639
Non-controlling Interest	5,316	7,773	4,329	3,770	4,663
Operating Performance Ratio (Percent)					
Return on Average Assets (ROAA)	1.02	1.65	1.05	1.00	1.41
Return on Average Equity ⁽²⁾ (ROAE)	10.39	20.36	13.37	13.64	16.46
Interest Spread ⁽³⁾	2.55	2.54	2.51	2.76	3.15
Credit Cost	0.89	1.36	0.36	0.31	0.28
Cost to Income Ratio ⁽⁴⁾	49.69	38.67	59.19	59.96	49.32
Financial Position (Million Baht)					
Loans	755,656	791,174	755,330	637,104	609,646
Non-performing Loans (NPLs)	33,800	37,540	34,307	40,188	39,663
Total Assets	1,025,630	1,050,914	1,026,679	897,962	882,757
Deposits and Debts Issued and Borrowings	795,367	825,221	782,927	698,518	717,100
Total Liabilities	921,354	955,474	941,445	820,751	811,038
Total Equity	104,276	95,440	85,234	77,211	71,719
Equity Attributable to the Company	51,353	47,369	43,586	39,130	36,092

Loans and Deposits and Debts Issued and Borrowings



Interest Spread



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

Calculation ⁽²⁾ Excluding Non-controlling Interests

Formulas ⁽³⁾ Interest Spread = Yield - Cost of Fund

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 + Debts Issued and Borrowings)

⁽⁴⁾ Cost to Income Ratio = Other Operating Expenses / Net Operating Income (Including Profit for the Year from Discontinued Operations)

⁽⁵⁾ Coverage Ratio = Total Allowance / Non-performing Loans

⁽⁶⁾ Reserve to Required Reserve = Total Allowance / Reserve Required by the BOT

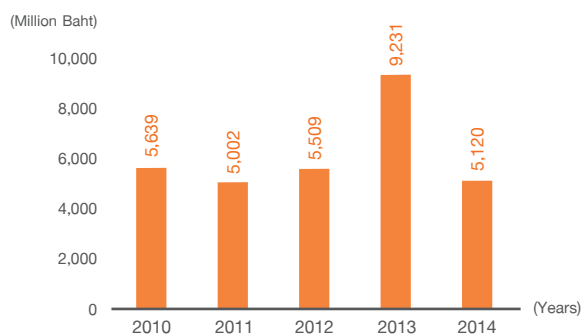
⁽⁷⁾ Dividends per Share for 2014 is Interim Rate Paid

⁽⁸⁾ Local Board / High - Low Share Prices During the Year

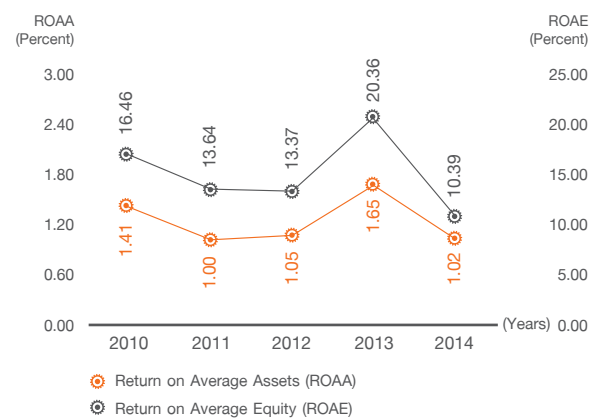
As at and for the year ended 31 December

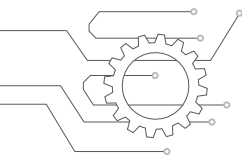
	CONSOLIDATED				
	2014	2013	2012	2011	2010
Financial Position Quality (Percent)					
Loans to Deposits and Debts Issued and Borrowings Ratio	95.01	95.87	96.48	91.21	85.02
NPL-gross to Total Loans	4.21	4.49	4.32	5.94	6.00
NPL-net to Total Loans	2.07	2.30	2.17	2.84	2.71
Coverage Ratio ⁽⁵⁾	84.81	82.61	73.19	68.38	69.73
Reserve to Required Reserve ⁽⁶⁾	132.64	127.36	124.12	107.01	113.14
Capital Adequacy					
(Consolidated Supervision of the Bank of Thailand)					
Tier I Capital Ratio (Percent)	9.03	9.07	7.50	8.48	10.44
Total Capital Ratio (Percent)	13.60	14.31	12.07	12.53	13.08
Risk Weighted Assets (Million Baht)	809,396	780,045	750,120	679,718	618,584
Common Share Information					
Information per Share (Baht)					
Basic Earnings per Share	4.24	7.49	4.31	3.91	4.41
Book Value	42.56	39.26	34.11	30.62	28.24
Dividends ⁽⁷⁾	0.60	1.60	1.40	1.20	1.20
Common Shares Outstanding (Million Share)					
Average-Basic	1,206	1,232	1,278	1,278	1,278
End of Year	1,206	1,206	1,278	1,278	1,278
Share Price ⁽⁸⁾ (Baht)					
High	38.75	50.25	41.75	38.00	41.75
Low	30.00	29.75	24.60	23.50	18.10
Closing	31.75	32.25	37.75	26.75	36.00
Market Capitalization (Million Baht)	38,306	38,909	48,238	34,182	46,002
Other Information					
Employees	14,971	15,427	15,840	16,380	16,932

Net Profit of the Company



Return on Average Assets (ROAA) and Return on Average Equity (ROAE)





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 2014, 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

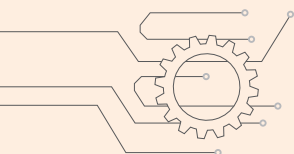
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thanachart Capital Public Company Limited and its subsidiaries and of Thanachart Capital Public Company Limited as at 31 December 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Ratana Jala)

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 23 February 2015



STATEMENT OF FINANCIAL POSITION

Thanachart Capital Public Company Limited and its subsidiaries

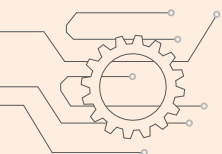
Statement of financial position

As at 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Assets					
Cash		16,605,432	17,940,109	-	-
Interbank and money market items - net	7	66,037,890	70,214,825	21,076	3,542,552
Derivatives assets	8	4,389,463	3,913,805	-	-
Investments - net	9	162,318,264	147,686,390	6,039,651	11,047,674
Investments in subsidiary and associated companies - net	10	2,416,988	2,389,163	31,435,390	31,552,224
Loans to customers and accrued interest receivables	11				
Loans to customers		811,443,114	853,177,090	541,675	279,776
Accrued interest receivables		787,822	1,015,204	12	26
Total loans to customers and accrued interest receivables		812,230,936	854,192,294	541,687	279,802
Less: Deferred revenue		(55,786,980)	(62,002,495)	(2,712)	(3,982)
Allowance for doubtful accounts	12	(28,347,084)	(30,467,235)	(149,939)	(179,470)
Revaluation allowance for debt restructuring	13	(103,222)	(305,386)	-	-
Net loans to customers and accrued interest receivables		727,993,650	761,417,178	389,036	96,350
Customers' liability under acceptances		48,217	30,330	-	-
Property foreclosed - net	15	8,930,622	9,027,386	885,924	1,254,916
Land, premises and equipment - net	16	7,981,567	8,083,957	43,390	46,696
Intangible assets - net	17	3,426,976	3,843,509	2,081	486
Goodwill	18	16,968,935	16,725,637	-	-
Deferred tax assets	19	1,167,662	1,075,552	61,000	55,904
Receivables from purchase and sale of securities		1,804,740	1,645,667	-	-
Accrued interest and dividend receivables		1,111,511	1,081,291	76,886	88,395
Other assets - net	20	4,428,454	5,839,093	97,370	109,079
Total assets		1,025,630,371	1,050,913,892	39,051,804	47,794,276

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



STATEMENT OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

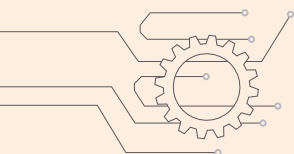
Statement of financial position (continued)

As at 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Liabilities and equity					
Deposits	21	696,948,507	715,931,146	-	-
Interbank and money market items	22	80,138,910	81,082,201	5	13
Liability payable on demand		1,655,381	3,218,667	-	-
Derivatives liabilities	8	5,200,037	5,701,330	-	-
Debts issued and borrowings	23	98,417,715	109,290,446	12,200,000	20,700,000
Bank's liability under acceptances		48,217	30,330	-	-
Provisions	24	2,850,552	3,183,299	46,406	40,195
Deferred tax liabilities	19	1,825,834	1,700,941	-	-
Accrued interest payables		4,069,972	4,474,707	95,161	153,432
Payables from purchase and sale of securities		1,519,696	1,466,719	-	-
Insurance contracts liabilities	25	14,610,121	15,019,053	-	-
Other liabilities	26	14,069,812	14,375,627	91,130	121,472
Total liabilities		921,354,754	955,474,466	12,432,702	21,015,112

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



STATEMENT OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

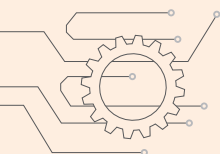
Statement of financial position (continued)

As at 31 December 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Equity					
Share capital	27				
Registered, issued and paid-up					
13,276 preferred shares of Baht 10 each					
(2013: 13,306 preferred shares of Baht 10 each)		133	133	133	133
1,277,816,427 common shares of Baht 10 each					
(2013: 1,277,816,397 common shares of Baht 10 each)		12,778,164	12,778,164	12,778,164	12,778,164
		12,778,297	12,778,297	12,778,297	12,778,297
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Premium on treasury share		165,742	165,742	165,742	165,742
Other components of equity	28	2,516,445	1,723,075	486,802	370,006
Retained earnings					
Appropriated - statutory reserve	29	1,277,830	1,277,830	1,277,830	1,277,830
- treasury share reserve		3,398,455	3,398,455	3,398,455	3,398,455
Unappropriated		32,549,037	29,358,306	9,844,786	10,121,644
Less: Treasury shares - common shares		(3,398,455)	(3,398,455)	(3,398,455)	(3,398,455)
Equity attributable to owners of the Company		51,352,996	47,368,895	26,619,102	26,779,164
Non-controlling interests		52,922,621	48,070,531	-	-
Total equity		104,275,617	95,439,426	26,619,102	26,779,164
Total liabilities and equity		1,025,630,371	1,050,913,892	39,051,804	47,794,276

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



STATEMENT OF COMPREHENSIVE INCOME

Thanachart Capital Public Company Limited and its subsidiaries

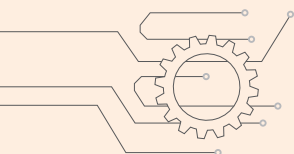
Statement of comprehensive income

For the year ended 31 December 2014

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss					
Continuing operations					
Interest income	32	52,940,248	54,107,966	502,851	489,593
Interest expenses	33	(25,475,248)	(27,614,706)	(947,669)	(662,938)
Net interest income		27,465,000	26,493,260	(444,818)	(173,345)
Fees and service income		8,688,130	8,791,067	581	2,245
Fees and service expenses		(2,768,395)	(2,678,773)	(699)	(1,094)
Net fees and service income	34	5,919,735	6,112,294	(118)	1,151
Gains on trading and foreign exchange transactions	35	1,302,276	531,201	10,698	13
Gains on investments	36	1,098,385	13,591,913	239,243	101,889
Share of profit from investments accounted for under equity method	10.2	264,442	799,915	-	-
Gains (loss) on property foreclosed and other assets		178,543	815,221	(200,023)	496,703
Insurance/Life insurance income		6,448,279	6,723,669	-	-
Dividend income		350,052	634,072	2,096,967	1,969,216
Other operating income		1,619,005	1,721,619	149,113	102,330
Total operating income		44,645,717	57,423,164	1,851,062	2,497,957
Insurance expenses		(4,737,358)	(4,441,553)	-	-
Net operating income		39,908,359	52,981,611	1,851,062	2,497,957
Other operating expenses					
Employee's expenses		10,959,604	10,599,544	134,490	123,862
Directors' remuneration	37	75,322	67,338	31,590	29,725
Premises and equipment expenses		2,957,959	3,037,266	28,822	28,874
Taxes and duties		867,300	900,793	1,099	8,099
Other expenses		4,970,172	6,019,426	66,509	76,741
Total other operating expenses		19,830,357	20,624,367	262,510	267,301
Impairment loss of loans and debt securities (reversal)	38	7,083,955	11,419,706	(29,767)	(34,114)
Profit before income tax		12,994,047	20,937,538	1,618,319	2,264,770
Income tax	19.2	(2,557,837)	(4,288,009)	34,296	(84,328)
Profit for the year from continuing operations		10,436,210	16,649,529	1,652,615	2,180,442
Discontinued operations					
Profit for the year from discontinued operations	48	-	354,241	-	-
Profit for the year		10,436,210	17,003,770	1,652,615	2,180,442

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



STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

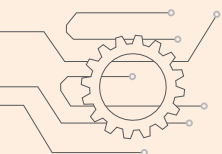
Statement of comprehensive income (continued)

For the year ended 31 December 2014

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

		Consolidated financial statements		Separate financial statements	
	Note	2014	2013	2014	2013
Other comprehensive income	39				
Continuing operations					
Gains (losses) on change in value of available-for-sale investments		1,781,449	(408,947)	145,995	95,504
Share of other comprehensive income of associates (loss)		10,992	(11,107)	-	-
Income tax relating to components of other comprehensive income	19.2	(356,254)	85,369	(29,199)	(19,100)
Total other comprehensive income from continuing operations (loss)		1,436,187	(334,685)	116,796	76,404
Discontinued operations					
Other comprehensive income from discontinued operations (loss)	48	-	(110,403)	-	-
Total other comprehensive income (loss)		1,436,187	(445,088)	116,796	76,404
Total comprehensive income					
Total comprehensive income from continuing operations		11,872,397	16,314,844	1,769,411	2,256,846
Total comprehensive income from discontinued operations		-	243,838	-	-
Total comprehensive income		11,872,397	16,558,682	1,769,411	2,256,846
Profit attributable to					
The Company					
Profit for the year from continuing operations		5,120,204	9,050,571	1,652,615	2,180,442
Profit for the year from discontinued operations		-	180,519	-	-
Profit for the year attributable to the Company		5,120,204	9,231,090	1,652,615	2,180,442
Non-controlling interests					
Profit for the year from continuing operations		5,316,006	7,598,958	-	-
Profit for the year from discontinued operations		-	173,722	-	-
Profit for the year attributable to non-controlling interests		5,316,006	7,772,680	-	-
		10,436,210	17,003,770	1,652,615	2,180,442

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



STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

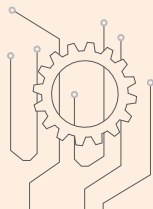
Statement of comprehensive income (continued)

For the year ended 31 December 2014

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Total comprehensive income attributable to					
The Company					
Total comprehensive income from continuing operations		5,913,574	8,912,553	1,769,411	2,256,846
Total comprehensive income from discontinued operations		-	140,038	-	-
Total comprehensive income attributable to the Company		5,913,574	9,052,591	1,769,411	2,256,846
Non-controlling interests					
Total comprehensive income from continuing operations		5,958,823	7,402,291	-	-
Total comprehensive income from discontinued operations		-	103,800	-	-
Total comprehensive income attributable to non-controlling interests		5,958,823	7,506,091	-	-
		11,872,397	16,558,682	1,769,411	2,256,846
Earnings per share of the Company	40				
Basic earnings per share (Baht per share)					
From continuing operations		4.24	7.34	1.37	1.77
From discontinued operations		-	0.15	-	-
Profit attributable to the Company		4.24	7.49	1.37	1.77
Diluted earnings per share (Baht per share)					
From continuing operations		4.24	7.34	1.37	1.77
From discontinued operations		-	0.15	-	-
Profit attributable to the Company		4.24	7.49	1.37	1.77

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



STATEMENT OF CHANGES IN EQUITY

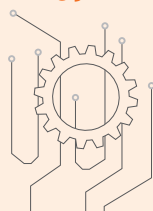
Thanachart Capital Public Company Limited and its subsidiaries

Statement of changes in equity
For the year ended 31 December 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the Company's shareholders												
Other components of equity												
	Issued and paid-up share capital	Amount by which			Amounts recognised in			Retained earnings				
		the value of investment			Share of other comprehensive income (losses) of associates	Revaluation surplus on investments - net	Share of other comprehensive income (losses) of associates	Accumulated in equity relating to assets held for sale	Appropriated			Total
		Premium on common share	Premium on treasury shares	Share premium of a subsidiary					Statutory reserve	Treasury shares reserve	Unappropriated	
Preferred shares	Common shares											
133	12,778,164	2,065,645	165,742	775,814	226,460	844,592	14,237	40,481	1,277,830	-	25,396,290	85,238,857
		-	-	-	-	-	-	-	-	-	-	(3,398,455)
		-	-	-	-	-	-	-	-	-	(1,873,935)	(1,873,935)
		-	-	-	-	-	-	-	-	-	3,316	3,316
		-	-	-	-	-	-	-	-	3,398,455	(3,398,455)	-
		-	-	-	-	-	-	-	-	-	-	(1,084,039)
		-	-	-	-	-	-	-	-	-	-	7,506,091
		-	-	-	-	(129,966)	(8,052)	(40,481)	-	-	9,231,090	16,558,682
133	12,778,164	2,065,645	165,742	775,814	226,460	714,616	6,185	-	1,277,830	3,398,455	29,358,306	95,439,426
		-	-	-	-	-	-	-	-	-	-	(3,398,455)
		-	-	-	-	-	-	-	-	-	(1,930,367)	(1,930,367)
		-	-	-	-	-	-	-	-	-	894	894
		-	-	-	-	-	-	-	-	-	-	(1,106,733)
		-	-	-	-	-	-	-	-	-	-	5,958,823
		-	-	-	-	785,340	8,030	-	-	-	5,120,204	11,872,397
133	12,778,164	2,065,645	165,742	775,814	226,460	1,499,956	14,215	-	1,277,830	3,398,455	32,549,037	104,275,617

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



STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

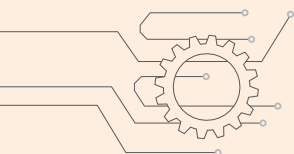
Statement of changes in equity (continued)

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Separate financial statements									
	Other components					Retained earnings				
	of equity -					Appropriated				
	Issued and paid-up share capital		revaluation			Statutory		Treasury shares		Total
	Preferred shares	Common shares	Premium on common share	Premium on treasury shares	investments - net surplus on	reserve	reserve	Unappropriated	Treasury shares	
Balance as at 1 January 2013	133	12,778,164	2,065,645	165,742	293,602	1,277,830	-	13,210,276	-	29,791,392
Cash payment for treasury shares (Note 27)	-	-	-	-	-	-	-	-	(3,398,455)	(3,398,455)
Dividend paid (Note 31)	-	-	-	-	-	-	-	(1,873,935)	-	(1,873,935)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	3,316	-	3,316
Transfer of retained earnings to treasury shares reserve	-	-	-	-	-	-	3,398,455	(3,398,455)	-	-
Total comprehensive income for the year	-	-	-	-	76,404	-	-	2,180,442	-	2,256,846
Balance as at 31 December 2013	133	12,778,164	2,065,645	165,742	370,006	1,277,830	3,398,455	10,121,644	(3,398,455)	26,779,164
Balance as at 1 January 2014	133	12,778,164	2,065,645	165,742	370,006	1,277,830	3,398,455	10,121,644	(3,398,455)	26,779,164
Dividend paid (Note 31)	-	-	-	-	-	-	-	(1,930,367)	-	(1,930,367)
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	894	-	894
Total comprehensive income for the year	-	-	-	-	116,796	-	-	1,652,615	-	1,769,411
Balance as at 31 December 2014	133	12,778,164	2,065,645	165,742	486,802	1,277,830	3,398,455	9,844,766	(3,398,455)	26,619,102

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



STATEMENT OF CASH FLOWS

Thanachart Capital Public Company Limited and its subsidiaries

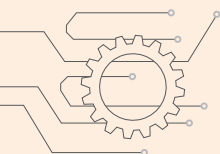
Statement of cash flows

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash flows from operating activities				
Profit before income tax from continuing operations	12,994,047	20,937,538	1,618,319	2,264,770
Profit before income tax from discontinued operations	-	443,187	-	-
Profit before income tax	12,994,047	21,380,725	1,618,319	2,264,770
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	(264,442)	(799,915)	-	-
Depreciation and amortisation	1,447,431	1,499,012	22,235	22,308
Impairment loss of loans and debt securities (reversal)	7,083,955	11,419,706	(29,767)	(34,114)
Increase in provisions	328,936	695,830	6,211	413
Increase (decrease) in allowance for impairment of property foreclosed	260,441	88,965	225,879	(27,071)
Increase (decrease) in allowance for impairment of equipment/other assets	(107,511)	133,229	24	(397)
Unrealised loss (gain) from change in value of investments/ allowance for impairment of investments	(528,696)	132,155	14	(12)
Unrealised gain on exchange	(84,656)	(316,185)	-	-
Gain from disposal of/capital return from investments in subsidiary companies	(243,298)	(12,546,700)	(97,828)	(464)
Loss (gain) on disposal of equipment	10,294	1,462	(2)	-
Other income	(72,413)	-	(72,413)	-
Decrease (increase) in accrued other income receivable	(83,179)	(453,268)	(5,032)	3,848
	20,740,909	21,235,016	1,667,640	2,229,281
Net interest income	(27,465,000)	(26,493,260)	444,818	173,345
Dividend income	(350,052)	(634,072)	(2,096,967)	(1,969,216)
Cash received from interest on operating activities	48,929,744	51,973,388	113,153	56,132
Cash paid for interest on operating activities	(21,040,229)	(22,486,631)	(52)	(29)
Cash received from corporate income tax refundable	75,357	1,026,572	75,357	12,643
Cash paid for income tax	(2,939,628)	(4,062,732)	(9,302)	(34,296)
Income from operating activities before changes in operating assets and liabilities	17,951,101	20,558,281	194,647	467,860

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



STATEMENT OF CASH FLOWS (CONTINUED)

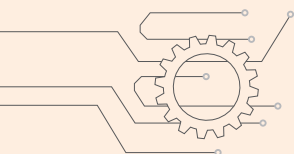
Thanachart Capital Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2014

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash flows from operating activities (continued)				
Decrease (increase) in operating assets				
Interbank and money market items	4,161,754	(397,990)	3,511,599	1,308,361
Derivatives assets	(335,954)	231,539	-	-
Investments in trading securities	(2,598,791)	1,465,822	1,600	(1,100)
Loans to customers	17,755,585	(48,363,596)	(283,076)	44,903
Property foreclosed	8,404,765	9,021,609	150,461	444,228
Receivables from purchase and sale of securities	(159,073)	457,046	-	-
Other assets	1,517,662	2,734,207	11,074	(21,558)
Increase (decrease) in operating liabilities				
Deposits	(18,982,639)	22,509,855	-	-
Interbank and money market items	(1,093,538)	(7,830,766)	(8)	10
Liability payable on demand	(1,563,285)	(1,770,548)	-	-
Derivatives liabilities	(603,470)	668,870	-	-
Payable from purchase and sales of securities	52,977	(1,405,768)	-	-
Insurance contract liabilities	(408,932)	(1,976,692)	-	-
Other liabilities	(579,629)	(2,390,504)	(30,450)	(241,992)
Net cash flows from (used in) operating activities	23,518,533	(6,488,635)	3,555,847	2,000,712
Cash flows from investing activities				
Decrease (increase) in investments in securities	(9,436,816)	(22,093,177)	5,171,354	(4,211,738)
Cash paid for purchase of investments in subsidiary	-	-	(482,119)	-
Cash received from interest	4,238,930	3,884,537	410,530	403,016
Cash received from dividend	575,333	841,271	2,096,967	1,969,216
Cash received from disposal of/capital return from subsidiary companies	-	18,366,774	689,462	17,617
Cash paid for purchase of land and equipment/intangible assets	(1,107,995)	(728,867)	(8,200)	(5,417)
Cash received from disposal of equipment/intangible assets	19,403	51,956	2	-
Net cash flows from (used in) investing activities	(5,711,145)	322,494	7,877,996	(1,827,306)

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



STATEMENT OF CASH FLOWS (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

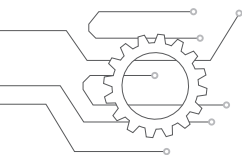
Statement of cash flows (continued)

For the year ended 31 December 2014

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2014	2013	2014	2013
Cash flows from financing activities				
Cash received from debts issued and borrowings	97,095,899	99,800,065	500,000	8,700,000
Cash paid for debts issued and borrowings	(107,968,630)	(80,015,478)	(9,000,000)	(3,000,000)
Cash paid for interest expenses on debts issued and borrowings	(4,879,116)	(4,506,669)	(1,004,370)	(604,332)
Cash paid for capital return to non-controlling interests for decrease shares capital of subsidiary companies	(71,494)	(133)	-	-
Cash paid for dividend	(1,929,473)	(1,870,619)	(1,929,473)	(1,870,619)
Cash paid for treasury shares	-	(3,398,455)	-	(3,398,455)
Cash paid for dividend to non-controlling interests	(1,389,251)	(1,083,863)	-	-
Net cash flows from (used in) financing activities	(19,142,065)	8,924,848	(11,433,843)	(173,406)
Net increase (decrease) in cash	(1,334,677)	2,758,707	-	-
Cash at beginning of the year	17,940,109	15,181,402	-	-
Cash at end of the year	16,605,432	17,940,109	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans to customers, other receivable and investments in receivables purchased	8,556,142	8,261,863	30	1,403
Property foreclosed received from capital returned from a subsidiary company	-	-	7,320	3,518
Bad debt written off/hair-cut loans from debt restructuring	7,639,812	5,070,864	11,260	664
Payable from purchase of assets	100,342	287,372	121	12

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



MANAGEMENT DISCUSSION AND ANALYSIS

Thai Economic Condition, Commercial Bank Competition in 2014, and Outlook for 2015

In the first half of 2014, Thai economy faced a slowdown in global economy, domestic political turmoil, high household debt, and difficulty in government spending. The second half, however, Thai economy improved from growth in private investment and private consumption while export continued to decline at a slower pace. Consequently, the economy in 2014 had a slight growth of 0.7 percent when compared to a 2.90 percent growth in 2013. Considering the volatile economic drivers and low inflation rate, the Monetary Policy Committee issued a resolution to decrease the policy rate by 0.25 percent, from 2.25 percent to 2.00 percent, during the first quarter of 2014, and maintained the rate at 2.00 percent for the year in order to stimulate economic recovery.

Loan volume in commercial banking system grew at a slower rate in 2014 as compared to the previous year. Following the economic downturn, political turmoil, and high household debt, both corporate and consumer loans continued in a decline since the beginning of the year while credit approval policy has been more strict and stringent. Overall in 2014, the competition has subsided in the deposit side in line with a sluggish loan growth in first half of the year. In the latter half of the year, deposit acquirement were becoming more active in preparation for loan growth recovery.

In 2015, the Monetary Policy Committee of the Bank of Thailand predicted 4.0 percent economic growth from last year. Government investment and expenditure are expected to accelerate from effort to implement spending and investment in infrastructures. Private consumption and investment are expected to follow gradual economic progress and improve. Tourism tends to recover. Headline inflation is targeted to be at 2.5 ± 1.5 percent per annum, in line with mild price pressure and sluggish domestic demand.

In 2015, loan volume in the commercial banking industry should grow from last year as demands for corporate and SME loans are recovering. Government expenditure and investment will dictate the direction of private investment. Household debt will continue to escalate from improving private consumption as Thai economy is recovering.

Financial Reporting Standards that Became Effective in the Current Accounting Year

- Financial statements of the Company and its subsidiaries were prepared in accordance with the financial reporting standards. In 2014, there were numbers of revised versions and new issues of financial reporting standards announced by Federation of Accounting Professions in order to be substantially equivalent to International Financial Reporting Standards. The revisions were mainly to the wordings and terminology and did not have a significant impact to the financial statements.

Key Events in 2014

- The Company and MBK Public Company Limited agreed to purchase all common shares of Siam City Life Assurance Public Company Limited (“SCILIFE”) from Thanachart Bank Public Company Limited (“TBANK”) in the amount of 900 million baht. In this connection, the Company holds 37,450,000 shares or 53.50 percent of total shares. However, this share purchase transaction was only the change in shareholding structure from indirect holding to direct holding by the Company and did not have a significant impact to the financial statements.

- TBANK, a subsidiary company, issued 13,000 million baht of Basel III compliance Tier II capital subordinated unsecured instruments which are due in 2024. TBANK has a call option to early redeem these instruments. The instruments were rated “A” by TRIS Rating and received the approval from the Bank of Thailand to count the instruments as Tier II capital in full amount. This instrument reinforces the capital funds of TBANK and TBANK was the first bank who successfully issued and offered this type of instruments to domestic market.

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
Thanachart SPV 01 Company Limited
Siam City Life Assurance Public Company Limited*

Subsidiary Companies indirectly held by the Company

SCIB Public Company Limited
Thanachart Securities Public Company Limited
Thanachart Insurance 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
SCIB Service Company Limited

Note: * Shareholding Structure of Siam City Life Assurance Plc. has been changed since 2 June 2014

Operating Results Overview

Thanachart Capital Public Company Limited (“the Company”) is the holding company and the parent company of Thanachart Financial Business Conglomerate. Its main businesses include commercial banking business, distressed asset management business, securities business, leasing and hire purchase business, insurance business, life insurance business, fund management business, and others.

(Unit: Million Baht)

Consolidated Statements of Comprehensive Income	For the Year		Change	
	2014	2013	Increase/ (Decrease)	Percent
Interest Income	52,940	54,108	(1,168)	(2.16)
Interest Expenses	25,475	27,615	(2,140)	(7.75)
Net Interest Income	27,465	26,493	972	3.67
Net Fees and Service Income	5,920	6,112	(192)	(3.14)
Operating Income ⁽¹⁾	6,523	20,376	(13,853)	(67.99)
Other Operating Expenses	19,830	20,624	(794)	(3.85)
Impairment Loss of Loans and Debt Securites	7,084	11,419	(4,335)	(37.96)
Profit before Income Tax	12,994	20,938	(7,944)	(37.94)
Income Tax	2,558	4,288	(1,730)	(40.35)
Profit for the Year from Continuing Operations	10,436	16,650	(6,214)	(37.32)
Profit for the Year from Discontinued Operations	-	354	(354)	(100.00)
Profit for the Year	10,436	17,004	(6,568)	(38.63)
Profit Attributable to the Company	5,120	9,231	(4,111)	(44.53)
Profit Attributable to Non-controlling Interests	5,316	7,773	(2,457)	(31.61)
Earnings per Share (Baht)	4.24	7.49	(3.25)	(43.39)
Weighted Average Number of Ordinary Shares (Million Shares)	1,206.48	1,232.34	(25.86)	(2.10)

Note: ⁽¹⁾ Operating income net insurance expenses

In 2014, the Company and its subsidiaries had a net profit according to the consolidated financial statements of 10,436 million baht, a decrease of 6,568 million baht or 38.63 percent. This was due to the extraordinary items of TBANK, a subsidiary company, in 2013 which were the gain from selling Thanachart Life Assurance Public Company Limited (“TLIFE”) of 12,281 million baht and the additional provision of 5,380 million baht provided in accordance with the Bank of Thailand guidelines for protecting against the economic fluctuations. If the extraordinary items were excluded, the net profit of the Company and its subsidiaries decreased by 1,216 million baht or 10.44 percent from 2013. The main reasons were from a reduction in gains on property foreclosed of the Company and its distressed asset management companies which was in line with the unsupportive economic conditions and also a reduction in share of profit from investment in an associated company since there were extra gains realized from the associated company in 2013. However, commercial banking business and other businesses under the Group have been growing from the previous year.

Although TBANK has been providing more provision from an increase in non-performing hire purchase loans, overall non-performing loans of the Company and its subsidiaries decreased by 3,740 million baht from an effective NPL management. As a result, coverage ratio improved and NPL ratio significantly reduced. This reflects a stronger asset quality of the Group.

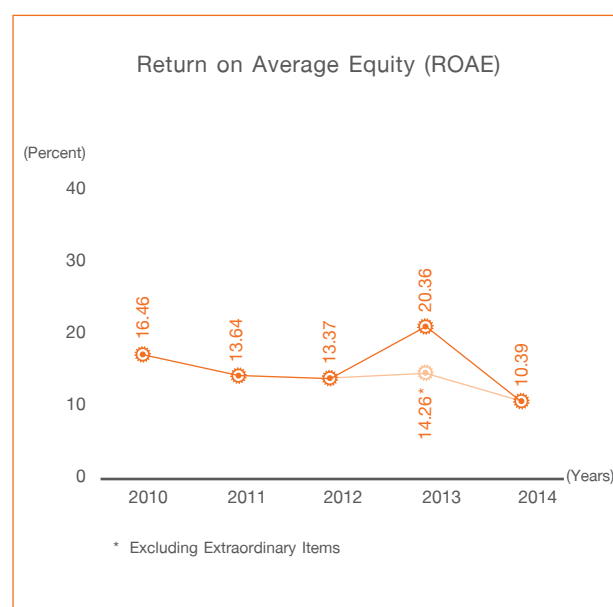
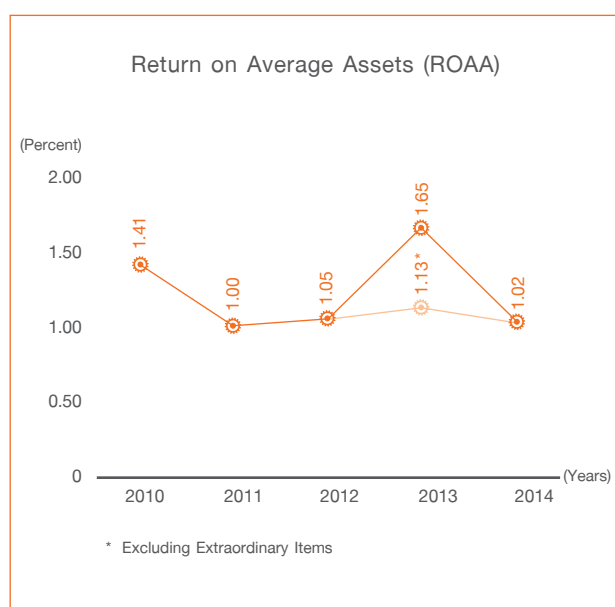
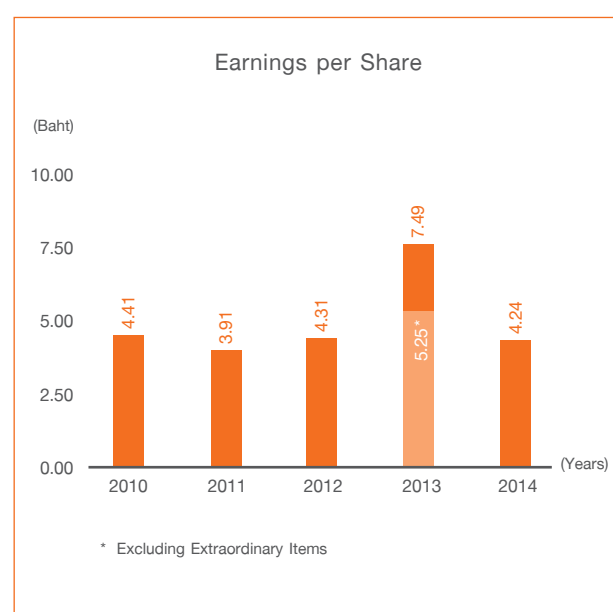
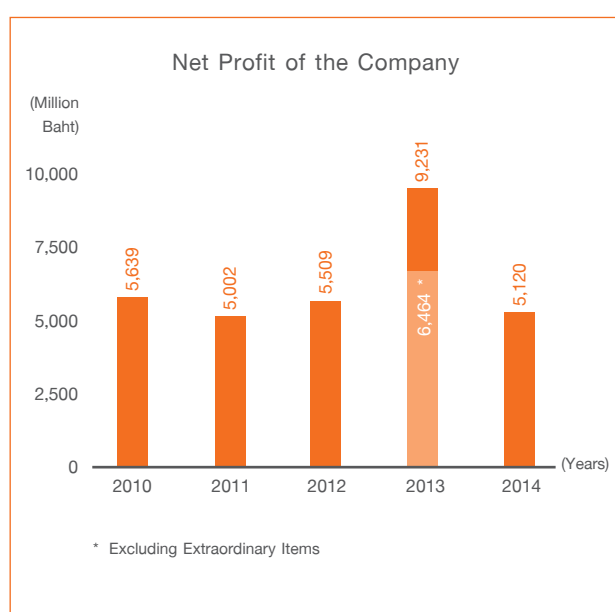
The Company's performance is mainly from the performance of TBANK and its subsidiaries. The Company holds shares in TBANK 50.96 percent while Scotiabank holds 49.00 percent. As a result, profit attributable to the Company is realized from the proportion shareholding of the Company in each subsidiary company.

In 2014, profit attributable to the Company amounted to 5,120 million baht, a decrease of 4,111 million baht or 44.53 percent. If the extraordinary items were excluded, profit attributable to the Company decreased by 1,344 million baht or 20.79 percent.

(Unit: Million Baht)

Profit	For the Year		
	2014	2013	2013 *
Profit for the Year	10,436	17,004	11,652
Profit Attributable to the Company	5,120	9,231	6,464
Profit Attributable to Non-controlling Interests	5,316	7,773	5,188
Basic Earnings per Share (Baht)	4.24	7.49	5.25

Note: * Excluding gain from selling TLIFE and additional provision occurred in the second quarter of 2013

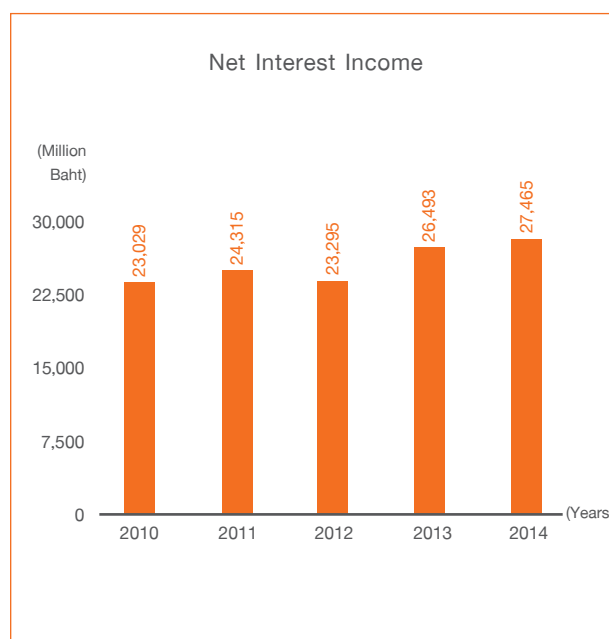
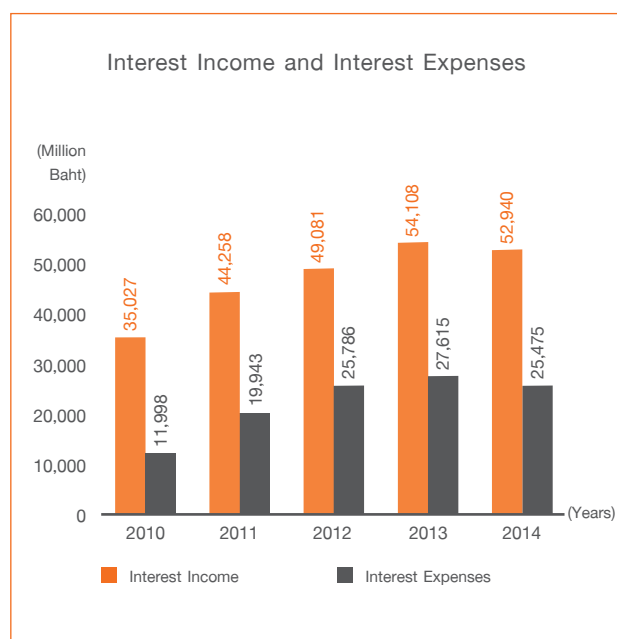


Net Interest Income

(Unit: Million Baht)

Net Interest Income	For the Year		Change	
	2014	2013	Increase/ (Decrease)	Percent
Interest Income				
Interbank and Money Market Items	1,936	1,877	59	3.14
Investments and Trading Transactions	464	467	(3)	(0.64)
Investments in Debt Securities	4,245	4,033	212	5.26
Loans	20,408	21,279	(871)	(4.09)
Hire Purchase and Financial Lease	25,887	26,452	(565)	(2.14)
Total Interest Income	52,940	54,108	(1,168)	(2.16)
Interest Expenses				
Deposits	16,165	17,826	(1,661)	(9.32)
Interbank and Money Market Items	1,091	1,519	(428)	(28.18)
Contribution Fee to the Financial Institution Development Fund and the Deposit Protection Agency	3,556	3,598	(42)	(1.17)
Debts Issued and Borrowings	4,653	4,662	(9)	(0.19)
Borrowings Cost	10	10	-	-
Total Interest Expenses	25,475	27,615	(2,140)	(7.75)
Net Interest Income	27,465	26,493	972	3.67

In 2014, net interest income of the Company and its subsidiaries amounted to 27,465 million baht, an increase of 972 million baht or 3.67 percent from the previous year. Interest spread was at 2.55 percent, a slight increase from the previous year of 2.54 percent. Interest income was 52,940 million baht, a decrease of 1,168 million baht or 2.16 percent from the previous year, due to a decrease in market rates. Interest expenses were 25,475 million baht, a decrease of 2,140 million baht or 7.75 percent from the previous year. This was due mainly to a restructuring of funding and an effective cost of fund management.



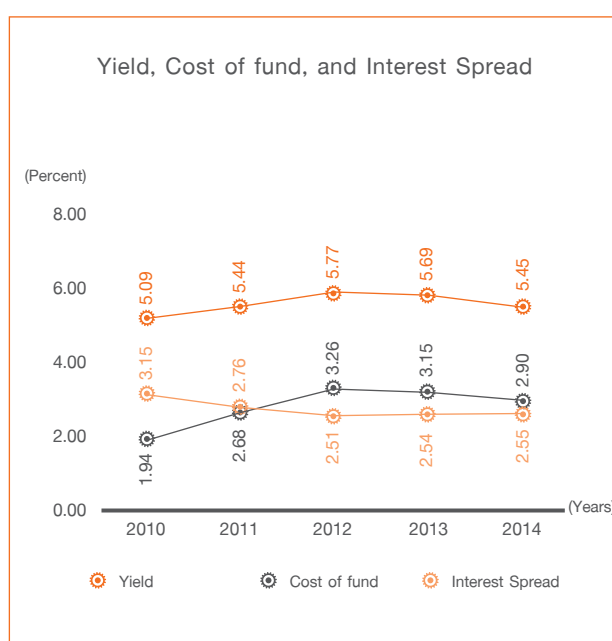
Interest Spread

(Unit: Percent)

Interest Spread	For the Year	
	2014	2013
Yield ⁽¹⁾	5.45	5.69
Cost of Fund ⁽²⁾	2.90	3.15
Interest Spread	2.55	2.54

Notes: ⁽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)



Non-interest Income

(Unit: Million Baht)

Non-interest Income	For the Year		Change	
	2014	2013	Increase/ (Decrease)	Percent
Fees and Service Income	8,688	8,791	(103)	(1.17)
Fees and Service Expenses	2,768	2,679	89	3.32
Net Fees and Service Income	5,920	6,112	(192)	(3.14)
Gains on Trading and Foreign Exchange Transactions	1,302	531	771	145.20
Gains on Investments	1,098	13,592*	(12,494)	(91.92)
Share of Profit from Investments Accounted for Under Equity Method	264	800	(536)	(67.00)
Gains on Property Foreclosed and Other Assets	179	815	(636)	(78.04)
Net Insurance / Life Insurance Income	1,711	2,282	(571)	(25.02)
Dividend Income	350	634	(284)	(44.79)
Other Operating Income	1,619	1,722	(103)	(5.98)
Operating Income	6,523	20,376	(13,853)	(67.99)
Total Non-interest Income	12,443	26,488	(14,045)	(53.02)

Note: * Including gain from selling TLIFE of 12,281 million baht

Net Fees and Service Income

In 2014, the Company and its subsidiaries had net fees and service income of 5,920 million baht, a decrease of 192 million baht or 3.14 percent from the previous year. This was mainly due to a decrease in brokerage fees from lower trading volume which was in line with a decline in overall stock market.

Operating Income

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

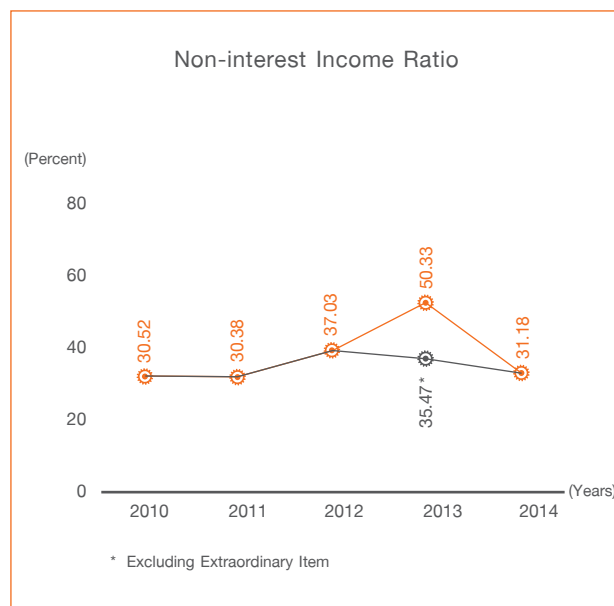
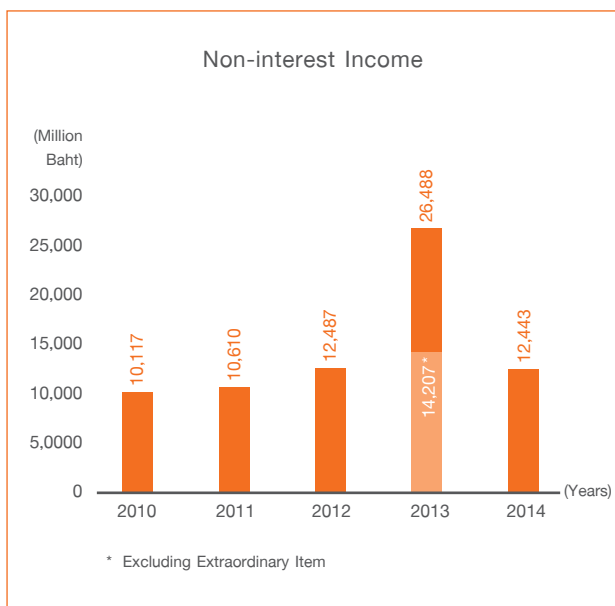
In 2014, the Company and its subsidiaries' operating income amounted to 6,523 million baht, a decrease of 13,853 million baht or 67.99 percent from the previous year. The main reasons were from:

- Gains on investments equaled 1,098 million baht, a decrease of 12,494 million baht or 91.92 percent from the previous year. This was mainly due to the fact that TBANK, a subsidiary company, sold shares of TLIFE in 2013 and had gain of 12,281 million baht. If such gain were excluded, gains on investments decreased by 213 million baht or 16.25 percent.
- Share of profit from investments in associated companies amounted to 264 million baht, a decrease of 536 million baht or 67.00 percent as a result of the extra gains realized from an associated company in the previous year.

- Gains on property foreclosed and other assets amounted to 179 million baht, a decrease of 636 million baht or 78.04 percent. This was due to the decline in selling property foreclosed of the Company and its distressed asset management companies following the unsupportive market conditions.

- Dividend income amounted to 350 million baht, a decrease of 284 million baht or 44.79 percent from the previous year as a result of Vayupak Fund expiration at the end of the previous year.

From the above reasons, non-interest income ratio of 2014 was at 31.18 percent, a decrease from 50.33 percent. If the gain from selling TLIFE were excluded, non-interest income ratio of 2014 decreased from the previous year of 35.47 percent.

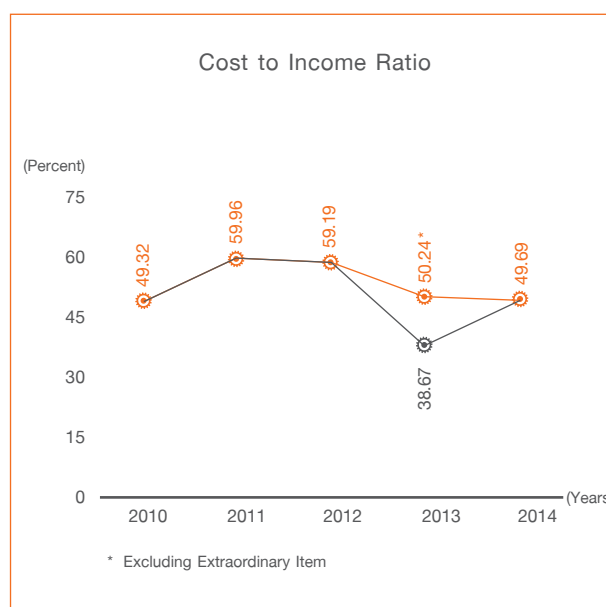
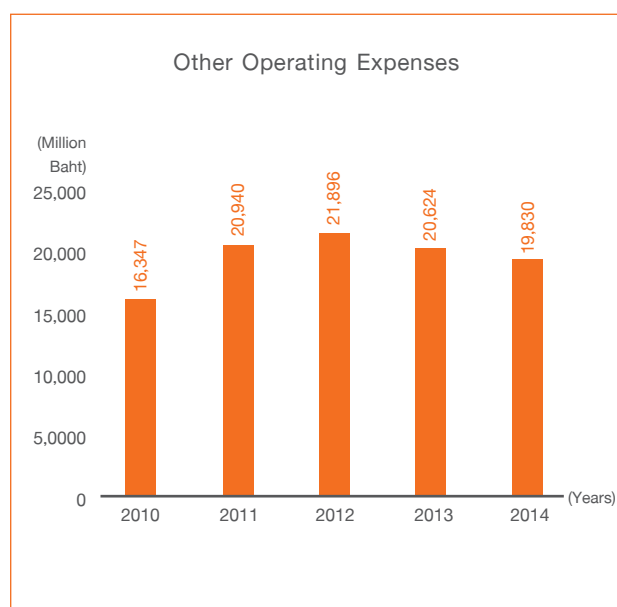


Other Operating Expenses

(Unit: Million Baht)

Other Operating Expenses	For the Year		Change	
	2014	2013	Increase/ (Decrease)	Percent
Employee's Expenses	10,960	10,600	360	3.40
Directors' Remuneration	75	67	8	11.94
Premises and Equipment Expenses	2,958	3,037	(79)	(2.60)
Taxes and Duties	867	901	(34)	(3.77)
Other Expenses	4,970	6,019	(1,049)	(17.43)
Total Other Operating Expenses	19,830	20,624	(794)	(3.85)

In 2014, other operating expenses of the Company and its subsidiaries amounted to 19,830 million baht, a decrease of 794 million baht or 3.85 percent from the previous year. This was a result of an effective cost control and working systems development. Cost to income ratio of 2014 was at 49.69 percent, an increase from the previous year of 38.67 percent. If the gain from selling TLIFE were excluded, cost to income ratio of 2014 reduced from the previous year of 50.24 percent.

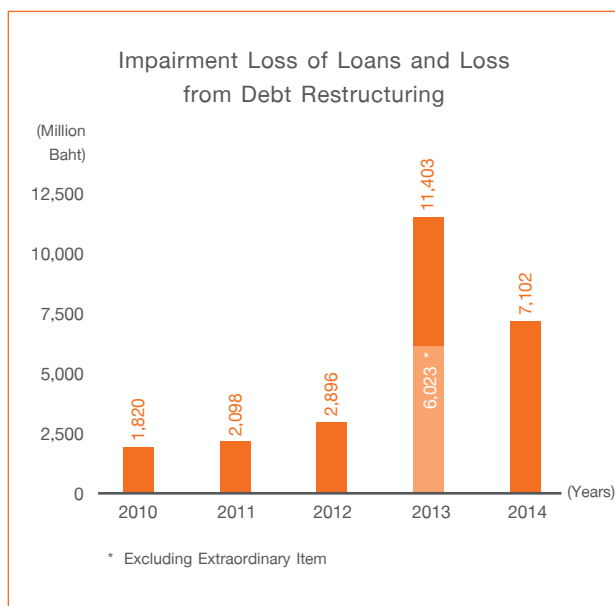


Impairment Loss of Loans and Debt Securities

(Unit: Million Baht)

Impairment Loss of Loans and Debt Securities	For the Year		Change	
	2014	2013	Increase/(Decrease)	Percent
Impairment Loss of Loans	7,090	11,399	(4,309)	(37.80)
Loss from Debt Restructuring	12	4	8	200.00
Loss from Impairment of Debt Securities (Reverl)	(18)	16	(34)	(212.50)
Total Impairment Loss of Loans and Debt Securities	7,084	11,419	(4,335)	(37.96)
Credit Cost (Percent)	0.89	1.36	(0.47)	(34.56)

In 2014, the Company and its subsidiaries had impairment loss of loans and debt securities amounting to 7,084 million baht, a decrease of 4,335 million baht or 37.96 percent from the previous year. This was due to the fact that the Company provided additional provision in accordance with the Bank of Thailand guidelines for protecting against the economic fluctuations in the amount of 5,380 million baht in 2013. Credit cost in 2014 was at 0.89 percent, a decrease from the previous year of 1.36 percent. If the additional provision were excluded, impairment loss of loans in 2014 increased by 1,045 million baht or 17.30 percent. This was mainly due to an increase in provision from hire purchase to protect against losses from selling repossessed cars under the economic slowdown and the depressive used car market. As a result, credit cost in 2014 increased from the previous year of 0.72 percent.



Financial Position

(Unit: Million Baht)

Consolidated Statements of Financial Position	31 December 2014		31 December 2013		Change	
	Amount	Percent	Amount	Percent	Increase/(Decrease)	Percent
Interbank and Money Market Items-net	66,038	6.44	70,215	6.68	(4,177)	(5.95)
Investments-net	162,318	15.83	147,686	14.05	14,632	9.91
Investments in Subsidiary and Associated Companies	2,417	0.24	2,389	0.23	28	1.17
Loans to Customers and Accrued Interest Receivables	756,444	73.75	792,189	75.38	(35,745)	(4.51)
Allowance for Doubtful Accounts and Revaluation Allowance for Debt Restructuring	(28,450)	(2.77)	(30,772)	(2.92)	2,322	(7.55)
Intangible Assets from Business Combination-net	1,973	0.19	2,445	0.23	(472)	(19.30)
Goodwill	16,969	1.65	16,726	1.59	243	1.45
Other Assets	47,921	4.67	50,036	4.76	(2,115)	(4.23)
Total Assets	1,025,630	100.00	1,050,914	100.00	(25,284)	(2.41)
Deposits	696,949	67.95	715,931	68.12	(18,982)	(2.65)
Interbank and Money Market Items	80,139	7.81	81,082	7.72	(943)	(1.16)
Debts Issued and Borrowings	98,418	9.60	109,290	10.40	(10,872)	(9.95)
Other Liabilities	45,848	4.47	49,171	4.68	(3,323)	(6.76)
Total Liabilities	921,354	89.83	955,474	90.92	(34,120)	(3.57)
Equity Attributable to Owners of the Company	51,353	5.01	47,369	4.51	3,984	8.41
Non-controlling Interests	52,923	5.16	48,071	4.57	4,852	10.09
Total Equity	104,276	10.17	95,440	9.08	8,836	9.26
Total Liabilities and Equity	1,025,630	100.00	1,050,914	100.00	(25,284)	(2.41)

As of 31 December 2014, Thanachart Group's total assets amounted to 1,025,630 million baht, a decrease of 25,284 million baht or 2.46 from the end of 2013.

The details of key contributing factors were as follows:

Interbank and Money Market Items (Asset)

As of 31 December 2014, net interbank and money market items amounted to 66,038 million baht, a decrease of 4,177 million baht or 5.95 percent from the end of the previous year. This was from liquidity management.

Investments

(Unit: Million Baht)

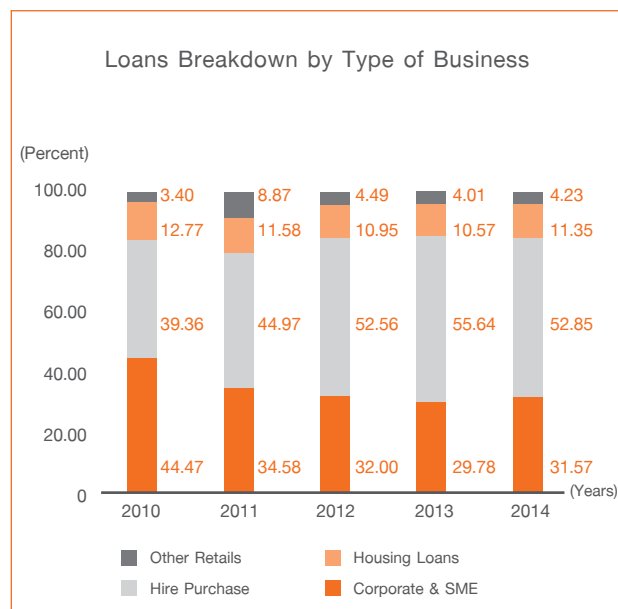
Investments Classified by Type	31 December 2014		31 December 2013		Change	
	Amount	Percent	Amount	Percent	Increase/ (Decrease)	Percent
Debt Securities						
Government and State Enterprise Securities						
• Trading	8,221	4.99	5,706	3.80	2,515	44.08
• Available-for-sale	68,156	41.37	76,880	51.23	(8,724)	(11.35)
• Held-to-maturity	11,157	6.77	11,435	7.62	(278)	(2.43)
Private Debt Securities						
• Trading	5,169	3.14	5,266	3.51	(97)	(1.84)
• Available-for-sale	45,325	27.52	26,136	17.42	19,189	73.42
• Held-to-maturity	466	0.28	352	0.23	114	32.39
Foreign Debt Securities						
• Available-for-sale	11,766	7.14	14,691	9.79	(2,925)	(19.91)
Investments in Receivables Purchased						
• Held-to-maturity	1,293	0.79	1,358	0.90	(65)	(4.79)
Total Debt Securities	151,553	92.00	141,824	94.50	9,729	6.86
Equity Securities						
• Trading	198	0.12	17	0.01	181	1,064.71
• Available-for-sale	3,537	2.15	1,119	0.75	2,418	216.09
• General Investments	3,976	2.41	4,005	2.67	(29)	(0.72)
Total Equity Securities	7,711	4.68	5,141	3.43	2,570	49.99
Total Securities Investments	159,264	96.68	146,965	97.93	12,299	8.37
Allowance for Change in Value	3,424	2.08	1,059	0.71	2,365	223.32
Allowance for Impairment	(370)	(0.23)	(338)	(0.23)	(32)	9.47
Total Investments-net	162,318	98.53	147,686	98.41	14,632	9.91
Investments in Associated Companies	2,417	1.47	2,389	1.59	28	1.17
Total Investments	164,735	100.00	150,075	100.00	14,660	9.77

As of 31 December 2014, the Company and its subsidiaries had total investments of 164,735 million baht, which included 162,318 million baht investments in debt and equity securities and 2,417 million baht investments in associated companies. Total investments increased by 14,660 million baht or 9.77 percent from the end of the previous year. This was mainly due to investments in private debt securities.

Loans to Customers

(Unit: Million Baht)

	31 December 2014		31 December 2013		Change	
	Amount	Percent	Amount	Percent	Increase/(Decrease)	Percent
Agricultural and Mining	12,080	1.60	12,003	1.52	77	0.64
Manufacturing and Commerce	82,655	10.94	81,251	10.27	1,404	1.73
Real Estate and Construction	52,101	6.89	50,867	6.43	1,234	2.43
Public Utilities and Services	67,616	8.95	68,452	8.65	(836)	(1.22)
Personal Consuming						
Hire Purchase	399,341	52.85	440,177	55.64	(40,836)	(9.28)
Housing Loans	85,754	11.35	83,665	10.57	2,089	2.50
Securities Business	3,835	0.51	3,317	0.42	518	15.62
Others	28,156	3.72	28,445	3.59	(289)	(1.02)
Others	24,170	3.20	23,065	2.92	1,105	4.79
Total Loans to Customers	755,708	100.01	791,242	100.01	(35,534)	(4.49)
<u>Less</u> Intercompany Gain from Loans Transferred	(52)	(0.01)	(68)	(0.01)	16	(23.53)
Total	755,656	100.00	791,174	100.00	(35,518)	(4.49)



As of 31 December 2014, loans to customers amounted to 755,656 million baht, a decrease of 35,518 million baht or 4.49 percent from the end of the previous year. This was mainly due to a decrease in hire purchase loans in line with the slowdown in car market. Hire purchase decreased by 9.28 percent while corporate, SME, and housing loans increased from its attempt to diversify into other types of loan. The decrease in loans was also from the reduction of non-performing loans. Portion of retail loans to corporate and SME loans was 68 percent to 32 percent

Loan Classification

Classified Loans based on the Notification of the Bank of Thailand

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

(Unit: Million Baht)

	31 December 2014				31 December 2013			
	Loans	Percent	Allowance for Doubtful Accounts	Percent	Loans	Percent	Allowance for Doubtful Accounts	Percent
Normal	657,369	90.80	5,831	22.13	689,727	90.63	7,163	24.76
Special Mention	34,488	4.76	4,342	16.48	34,909	4.59	4,217	14.58
Substandard	5,809	0.80	2,421	9.19	6,193	0.81	2,729	9.44
Doubtful	4,135	0.57	1,704	6.46	9,336	1.23	5,125	17.72
Doubtful of Loss	22,206	3.07	11,760	44.62	20,826	2.74	9,682	33.47
Total	724,007	100.00	26,058	98.88	760,991	100.00	28,916	99.97
Additional Allowance for Possible Uncollectible			294	1.12			8	0.03
Total	724,007	100.00	26,352	100.00	760,991	100.00	28,924	100.00

Note: Only the Company and its subsidiaries under the supervision of the BOT and deducting intercompany transactions

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

Subsidiary company that operates securities business classified its securities business receivables and accrued interest receivables in accordance with the SEC as follows:

(Unit: Million Baht)

	31 December 2014		31 December 2013	
	Debt Balance	Allowance for Doubtful Accounts	Debt Balance	Allowance for Doubtful Accounts
Normal	3,663	-	3,144	-
Substandard	5	4	3	2
Doubtful	167	167	170	170
Total	3,835	171	3,317	172

Hire Purchase / Financial Lease Receivables of Subsidiaries Classified by Aging

Hire purchase and financial lease balances of subsidiary companies engaged in hire purchase and long-term financial lease classified by aging of loans counting from the due date of the contracts (after elimination intercompany transactions) were as follows:

(Unit: Million Baht)

	31 December 2014	31 December 2013
Current of Overdue not Over 90 Days	26,817	26,645
Overdue 91-365 Days	1,018	712
Overdue more than 1 Year	131	62
Debtors under Legal Actions	367	288
Total	28,333	27,707
Allowance for Doubtful Accounts Provided in the Accounts	1,822	1,370

Non - Performing Loans: NPLs

(Unit: Million Baht)

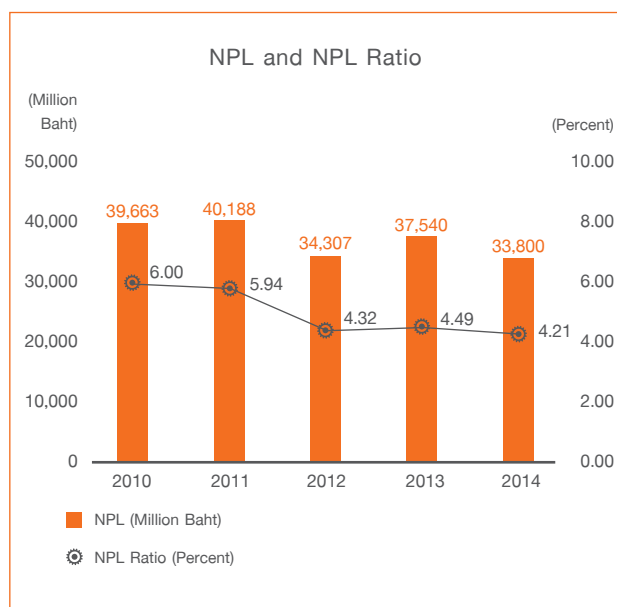
	31 December 2014	31 December 2013
NPLs	33,800	37,540
NPL-net	16,227	18,769
Total Allowance*	28,667	31,013
NPL-gross to Total Loans (Percent)	4.21	4.49
NPL-net to Total Loans (Percent)	2.07	2.30
Reserve to Reserve Required by the BOT (Percent)	132.64	127.36
Coverage Ratio (Percent)	84.81	82.61

Note: * Including revaluation allowance for debt restructuring

As of 31 December 2014, NPLs amounted to 33,800 million baht, a decrease of 3,740 million baht or 9.96 percent from the end of the previous year. This was mainly due to the more effective NPL management amidst the unsupportive market condition and the economic slowdown.

Non-performing loans to total loans to customers (NPL ratio) was at 4.21 percent, a decrease from 4.49 percent at the end of the previous year. Despite loans contraction, NPL ratio decreased from the effective management. Non-performing loans after deducting reserve (NPL-net) amounted to 16,227 million baht while the ratio of NPL-net to total loans was at 2.07 percent.

Coverage ratio at the end of December 2014 was at 84.81 percent, an increase from 82.61 percent at the end of December 2013. The ratio of reserve to required reserve under the BOT's regulation was at 132.64 percent at the end of December 2014, an increase from 127.36 percent from the end of December 2013. Excess reserve was 7,055 million baht.



Allowance for Doubtful Accounts

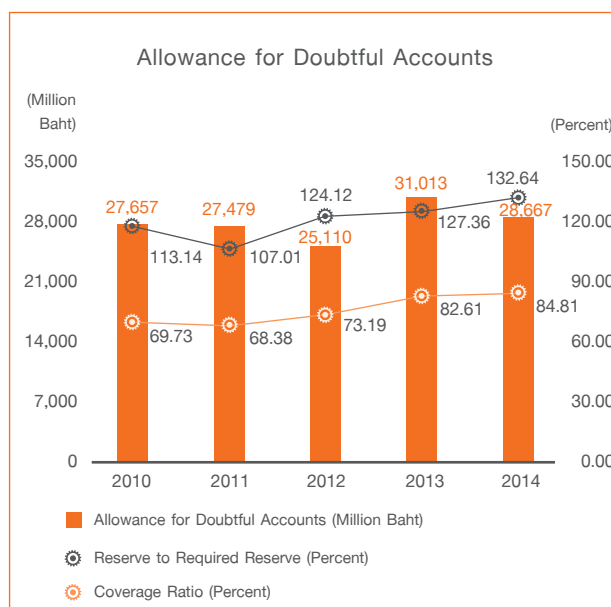
As of 31 December 2014, the Company and its subsidiaries had allowance for doubtful accounts amounting to 28,667 million baht, a decrease of 2,346 million baht or 7.56 percent from the previous year. The allowance for doubtful accounts consisted of 28,348 million baht allowance for retail and corporate clients, 216 million baht allowance for financial institution clients, and 103 million baht allowance for the revaluation from debt restructuring. Total allowance for doubtful accounts of 28,667 million baht equaled 132.64 percent of the reserve required by the BOT.

Debt Restructuring

As of 31 December 2014, the Company and its subsidiaries had 1,817,942 debtors in total, of which 33,066 debtors were restructured with outstanding balance of 23,780 million baht and outstanding balance after collateral of 11,643 million baht. During 2014, the Company and its subsidiaries have entered into debt restructuring agreements with debtors in the total amount of 3,845 debtors whose outstanding balance before restructuring amounted to 6,834 million baht.

Property Foreclosed

As of 31 December 2014, the Company and its subsidiaries had property foreclosed stated at cost amounting to 10,043 million baht, accounting for 0.98 percent of total assets. The allowance for impairment of the property foreclosed



was 1,112 million baht, accounting for 11.07 percent of total value at cost.

Capital Expenditure

As of 31 December 2014, the Company and its subsidiaries invested 1,108 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 2014, the Company and its subsidiaries had cash in the amount of 16,605 million baht. The details of the net cash flows from various activities were as follows:

- The net cash flows received from operating activities were 23,519 million baht, mainly due to 17,951 million baht in profit from operation. The key changes in operating assets and liabilities included a decrease of 4,162 million baht in interbank and money market items (asset); an increase of 2,599 million baht in investments in trading securities; a decrease of 336 million baht in derivatives assets; a decrease of 17,756 million baht in loans to customers; a decrease of 8,405 million baht in property foreclosed; an increase of 159 million baht in receivables from purchase and sale of securities; a decrease of 1,518 million baht in other assets; a decrease of 18,983 million baht in deposits;

a decrease of 1,094 million baht in interbank and money market items (liability); a decrease of 1,563 million baht in liability payable on demand; a decrease of 603 million baht in derivatives liabilities; an increase of 53 million baht in payable from purchase and sales of securities; a decrease of 409 million baht in insurance contract liabilities; and a decrease of 580 million baht in othe liabilities.

- The net cash flows used in investing activities amounted to 5,711 million baht. This was mainly due to an increase of 9,437 million baht in investments in securities; 4,239 million baht in received from interest; 575 million baht received from dividend; and 20 million baht received from disposal of equipment/intangible assets. On the other hand, cash payment for purchase of land and equipment/intangible assets amounted to 1,108 million baht.

- The net cash flows used in financing activities amounted to 19,142 million baht. The cash receipts amounted to 97,096 million baht from debts issued and borrowings. On the other hand, the cash payments included 107,969 million baht paid for debts issued and borrowings; 4,879 million baht paid for interest expenses on debts issued and borrowings; 1,930 million baht paid for dividend; 1,389 million baht paid for dividend to non-controlling interests; and 71 million baht paid for capital return to non-controlling interests for decrease shares capital of subsidiary companies.

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 2014, the Company and its subsidiaries had funds from liabilities and shareholders' equity of 921,354 million baht and 104,276 million baht, which accounted for 89.83 percent and 10.17 percent of total sources of funds respectively. The ratio of debts to equity was at 8.84 times or in another words, debts accounted for 8.84 times over the operating capital. The important components of funds from liabilities consisted of deposits which accounted for 75.64 percent of funds from liabilities while interbank and money market items, debts issued and borrowings, and othe liabilities accounted for 8.70 percent, 10.68 percent, and 4.98 percent respectively.

Liabilities

(Unit: Million Baht)

Total Liabilities	31 December 2014		31 December 2013		Change	
	Amount	Percent	Amount	Percent	Increase/(Decrease)	Percent
Deposits	696,949	75.64	715,931	74.93	(18,982)	(2.65)
Interbank and Money Market Items	80,139	8.70	81,082	8.49	(943)	(1.16)
Debts Issued and Borrowings	98,418	10.68	109,290	11.44	(10,872)	(9.95)
Other Liabilities	45,848	4.98	49,171	5.14	(3,323)	(6.76)
Total Liabilities	921,354	100.00	955,474	100.00	(34,120)	(3.57)

Total liabilities of Thanachart Group as of 31 December 2014 were 921,354 million baht, a decrease of 34,120 million baht or 3.57 percent from the end of 2013. The key items were as follows:

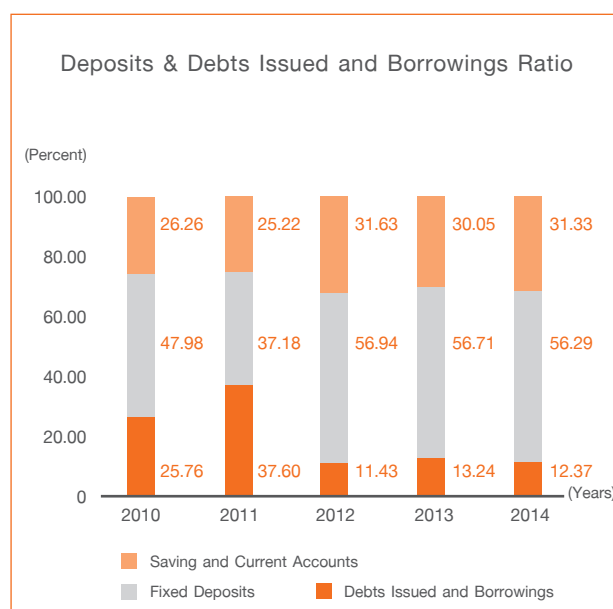
- Deposits were 696,949 million baht, a decrease of 18,982 million baht or 2.65 percent from the end of the previous year. This was due the restructure of deposits and cost of fund management to be in line with the decline of loans.

(Unit: Million Baht)

Deposits	31 December 2014		31 December 2013		Change	
	Amount	Percent	Amount	Percent	Increase/ (Decrease)	Percent
Current	8,667	1.24	8,759	1.22	(92)	(1.05)
Saving	240,554	34.52	239,189	33.41	1,365	0.57
Certificates of Deposits	228,654	32.81	3,241	0.45	225,413	6,955.04
Fixed Deposits						
Less than 6 Months	64,122	9.20	99,454	13.89	(35,332)	(35.53)
6 Months and up to 1 Year	22,583	3.24	167,756	23.44	(145,173)	(86.54)
Over 1 Year	132,369	18.99	197,532	27.59	(65,163)	(32.99)
Total Fixed Deposits	219,074	31.43	464,742	64.92	(245,668)	(52.86)
Total Deposits	696,949	100.00	715,931	100.00	(18,982)	(2.65)

- The ratio of current and savings accounts to total deposits and debts issued and borrowings (CASA ratio) was at 35.76 percent, an increase from 34.63 percent at the end of the previous year.

- Debts issued and borrowings amounted to 98,418 million baht, a decrease of 10,872 million baht or 9.95 percent from the end of the previous year. This was mainly from the redemption of 9,000 million baht of the Company's unsubordinated debentures; the early redemption of 17,000 million baht of TBANK's subordinated debentures; and the issuance of 13,000 million baht of TBANK's Basel III compliance Tier II capital subordinated unsecured instruments. The instruments were issued to replace the early redemption ones and counted as Tier II of TBANK in full amount.



- Interbank and money market items were 80,139 million baht, a decrease of 943 million baht or 1.16 percent from the end of the previous year. This was from the liquidity management.

Shareholders' Equity

Shareholders' equity as of 31 December 2014 was 104,276 million baht, an increase of 8,836 million baht or 9.26 percent from the end of 2013. This can be broken down as follows:

- Equity attributable to the owners of the Company was 51,353 million baht, an increase of 3,984 million baht or 8.41 percent. This was mainly due to the increase in operating profit of the Company and its subsidiaries in 2014 amounting to 5,120 million baht. At the same time, there were dividend payments paid for the performance in the second half of 2013 in the amount of 1,206 million baht and interim dividend payments of 724 million baht paid for the first six-month of 2014.

- Non-controlling interests were 52,923 million baht, an increase of 4,852 million baht or 10.09 percent, mainly due to the operating results of subsidiary companies.

Percentage of shareholding and performance of significant subsidiaries based on their respective financial statements were as follows:

(Unit: Million Baht)

Subsidiary Companies	Shareholding Direct / Indirect (Percent)	Profit for the Year	
		2014	2013
Thanachart Bank Public Company Limited			
Consolidated Financial Statements		9,922	15,385
Separate Financial Statements	50.96	7,918	14,113
Thanachart Securities Public Company Limited	50.96	561	801
Thanachart Fund Management Company Limited	38.22	290	285
Thanachart Insurance Public Company Limited	50.96	1,047	953
TS Asset Management Company Limited	50.96	320	404
Ratchthani Leasing Public Company Limited	33.22	704	754
NFS Asset Management Company Limited	100.00	58	296
MAX Asset Management Company Limited	83.44	130	103

Financial Position and Operating Results of Subsidiary Companies

Thanachart Bank Public Company Limited

Operating Results Overview

(Analysis comparing performance of 2013 and 2014 based on consolidated financial statements)

(Unit : Million Baht)

Statement of comprehensive income	2014	2013 ⁽³⁾	Change from 2013	
			Increase/ (Decrease)	Percent
Interest Income	52,445	53,879	(1,434)	(2.67)
Interest Expenses	24,884	27,290	(2,406)	(8.82)
Net Interest Income	27,561	26,589	972	3.66
Net Fees and Service Income	5,927	6,115	(188)	(3.08)
Other Operating Income ⁽¹⁾	5,823	6,262	(439)	(7.02)
Other Operating Expenses ⁽²⁾	19,515	20,408	(893)	(4.38)
Profit (Loss) before Impairment Loss of Loans and Debt Securities	19,796	18,558	1,238	6.68
Impairment Loss of Loans and Debt Securities	7,122	6,117	1,005	16.43
Profit (Loss) before Income Tax	12,674	12,441	233	1.88
Income Tax	2,479	2,478	1	0.05
Profit for the Year from Continuing Operations	10,195	9,963	232	2.33
Profit for the Year from Discontinued Operations	-	354	(354)	(100.00)
Net Profit	10,195	10,317	(122)	(1.19)
Profit Attributable to the Bank	9,922	10,101	(179)	(1.78)
Profit Attributable to Non-controlling Interests	273	216	57	26.39
Earnings per Share (Baht)	1.80	1.83		
Weighted Average Number of Ordinary Shares (Million baht Shares)	5,513.66	5,513.66		

Notes: ⁽¹⁾ Operating income deducted by underwriting expenses

⁽²⁾ Excluding underwriting expenses

⁽³⁾ Excluding extraordinary items

During the second quarter of 2013 TBANK sold TLIFE to Prudential Life Insurance (Thailand) Public Company Limited and realized 12,216 million baht in gains on sale. Also, the Bank set aside 5,380 million baht in special provision. These two activities which occurred in the second quarter of 2013 are considered key extraordinary items, and therefore, will be excluded in the operating results of 2013 for a fair and true comparison to the operating results of 2014.

TBANK and its subsidiaries generated a net profit in 2014 of 10,195 million baht. A portion of 9,922 million baht was a net profit attributable to TBANK decreased by 179 million baht or 1.7 percent comparing to the previous year. Changes in key drivers of the business were as follows:

- **Interest spread increased to 2.68 percent** from 2.62 percent in the previous year. Yield on earning assets was at 5.57 percent, decreased from 5.79 percent as a result of policy interest rate reduction from 2.25 percent to 2.00 percent during the first quarter of 2014. Cost of fund was at 2.89 percent, decreased from 3.17 percent as a result of efficient cost and liquidity management aiming at enhancing loan growth and competitiveness. The decrease in cost of fund was also partly from the policy rate adjustment as previously mentioned.

- **Non-interest income** (excluding extraordinary items) **decreased by 7.71 percent** as a result of a decrease in securities brokerage fees, share of profit from investments in associated companies, and dividend income. Non-interest income from ordinary transactions was on an improving trend and non-interest income ratio was at 29.89 percent. The ratio of non-interest income to average assets was at 1.17 percent, considered to mitigate impact of interest spread.

- **Control and management of operating expenses:** With effective cost management policy, other operating expenses decreased by 894 million baht or 4.38 percent from the previous year to 19,515 million baht. Cost to income ratio in 2014 was at 49.64 percent, decreased from 51.90 percent and the ratio of operating expenses to average assets was at 1.94 percent.

- **Credit cost** in 2014 was at 0.94 percent, increased from the end of the previous year of 0.77 percent, due to losses from selling repossessed cars incurred by less demand in the used car market and non-performing assets management process. As of 31 December 2014, non-performing assets of TBANK and its subsidiaries totaled 32,761 million baht, decreased from the previous year of 36,377 million baht, on account of effective NPL management, despite the economic slowdown and rise of non-performing loans in the industry. TBANK and its subsidiaries formulated systematic and effective NPL management plan that brought the ratio of NPL to total loans down to 4.09 percent from 4.36 percent at the end of the previous year.

- **Capital adequacy:** TBANK's total capital, in accordance with the Basel III regulation as of 31 December 2014, amounted to 114,636 million baht, comprised of Tier I capital (Common Equity Tier I and Additional Tier I) of 77,510 million baht and Tier II capital of 37,126 million baht. Capital adequacy ratio was at 15.83 percent, consisted of Tier I capital of 10.70 percent and Tier II capital of 5.13 percent, against 14.80 percent as of the end of 2013. In 2014, TBANK redeemed subordinated debentures of 17,000 million baht and issued a new lot of subordinated instruments of 13,000 million baht at a rate of 6.00 percent per annum for 10.5 years maturity.

Net Interest Income

(Unit: Million Baht)

Net Interest Income	2014	2013	Change	Percentage Change
Interest Income	52,445	53,879	(1,434)	(2.66)
Interbank and Money Market Items	1,894	1,870	24	1.29
Investments and Trading Transactions	237	457	(219)	(48.04)
Investments in Debts Securities	4,106	3,861	245	6.36
Loans	20,320	21,239	(919)	(4.33)
Hire Purchase and Financial Lease	25,887	26,452	(565)	(2.14)
Interest Expenses	24,884	27,290	(2,406)	(8.82)
Deposits	16,225	17,861	(1,636)	(9.16)
Interbank and Money Market Items	1,092	1,520	(428)	(28.16)
Fund Contributed to FIDF and DPA	3,556	3,598	(42)	(1.18)
Debts Issued and Borrowings	4,002	4,302	(300)	(6.96)
Borrowings Cost	9	9	-	2.22
Net Interest Income	27,561	26,589	972	3.66

In 2014, TBANK and its subsidiaries had a net interest income of 27,561 million baht, increased by 972 million baht or 3.66 percent comparing to the previous year. Total interest income was of 52,445 million baht, decreased by 1,434 million baht or 2.66 percent. Interest expenses were 24,884 million baht, decreased by 2,406 million baht or 8.82 percent. As a result, the interest spread of 2014 increased to 2.68 percent from the previous year of 2.62 percent.

Non-interest Income

(Unit: Million Baht)

Non-interest Income	2014	2013 **	Change	Percentage Change
Net Fees and Service Income	5,927	6,115	(188)	(3.06)
Gains on Trading and Foreign Exchange Transactions	859	531	328	61.77
Gains on Investments	769	865	(96)	(11.08)
Share of Profit from Investments				
Accounted for Under Equity Method	151	415	(264)	(63.60)
Gains on Property Foreclosed and Other Assets	240	79	161	202.78
Net Insurance / Life Insurance Income	2,091	2,282	(191)	(8.39)
Dividend Income	305	562	(257)	(45.78)
Other Income ***	1,408	1,882	(473)	(25.15)
Other Operating Income	5,823	6,616	(793)	(11.99)
Non-interest Income	11,750	12,731	(981)	(7.71)

Notes: * Excluding TLIFE

** Excluding gain from selling TLIFE

*** Including profit from discontinued operations in 2013 of 354 million baht

Non-interest income comprised net fees and service income, net insurance/life insurance income, and other operating income, totaling 11,750 million baht, decreased from the previous year by 981 million baht or 7.71 percent. Non-interest income ratio in 2014 was at 29.89 percent. The ratio of non-interest income to average assets was at 1.17 percent. Details of changes were as follows:

- **Net Fees and Service Income**

TBANK and its subsidiaries earned from net fees and service income an amount of 5,927 million baht, decreased by 188 million baht or 3.07 percent due to less securities brokerage fees as trading volume shrank, in line with the downtrend of securities market in the first half of 2014. Total fees and service income was 8,693 million baht, decreased by 100 million baht or 1.14 percent, whereas total fees and service expenses was 2,766 million baht, increased by 88 million baht or 3.29 percent.

- **Other Operating Income**

Other operating income comprised of net gains (loss) on trading and foreign exchange transactions, gains on investments, shares of profit from investments accounted for under the equity method, dividend income, gains on property foreclosed and other assets, net insurance/life insurance income, and other income. In 2014, other operating income totaled 5,823 million baht, decreased from the previous year by 793 million baht or 11.99 percent mainly due to a decrease of 257 million baht or 45.73 percent in dividend income as TBANK received dividend income in 2013 from Vayupak fund matured in the previous year, and a decrease in shares of profit from investments in an associated company of 264 million baht or 63.61 percent on account of the realized gain on extra income from an associated company and other income decreasing by 474 million baht or 25.19 percent as a result of profit from discontinued operations in 2013 (from disposal of investment in TLIFE).

Other Operating Expenses

Other Operating Expenses	2014	2013	Change	Percentage Change
Employee's Expenses	10,780	10,466	314	3.00
Premises and Equipment Expenses	2,928	3,013	(85)	(2.81)
Taxes and Duties	849	889	(39)	(4.43)
Directors' Remuneration	43	38	5	14.24
Other Expenses	4,915	6,003	(1,088)	(18.12)
Total Other Operating Expenses	19,515	20,408	(893)	(4.38)

In 2014, other operating expenses totaled 19,515 million baht, decreased by 894 million baht or 4.38 percent from the previous year, mainly due to a drop in sales promotion and marketing expenses as business volume contracted as well as a success in continuous and effective cost of management under TBANK's policy. As a result, cost to income ratio decreased to 49.64 percent from the previous year of 51.90 percent. The ratio of operating expenses to average assets was at 1.94 percent, decreased from 2.00 percent in the previous year.

Impairment Loss of Loans and Debt Securities

Under the condition of economic slowdown and sluggish used car market in 2014, TBANK focused on NPL management, which caused expenses of doubtful debt and doubtful of loss to increase by 1,005 million baht to 7,122 million baht. Credit cost in 2014 was at 0.94 percent, increased by 0.77 percent from the previous year partly due to an impact from losses from selling repossessed cars as there was less demand in the used car market.

Financial Position of TBANK and Its Subsidiaries

(Unit : Million baht)

Financial Position	31 December 2014	31 December 2013	Change from 2013	
			Increase/ (Decrease)	Percent
Assets				
Cash	16,605	17,940	(1,335)	(7.45)
Interbank and Money Market Items - net	65,433	69,697	(4,264)	(6.12)
Investments - net	149,609	138,825	10,784	7.77
Net Loans and Accrued Interest Receivables	755,150	791,026	(35,876)	(4.54)
Property Foreclosed - net	6,507	6,291	216	3.44
Land, Premises and Equipments - net	7,934	8,037	(103)	(1.29)
Goodwill	17,951	17,951	0	0.00
Other Assets	(10,299)	(11,418)	1,119	(9.81)
Total Assets	1,008,890	1,038,349	(29,459)	(2.84)

TBANK and its subsidiaries' total assets, as of 31 December 2014, amounted to 1,008,890 million baht, decreased from the end of 2013 by 29,459 million baht or 2.84 percent, mainly attributed to reduction in net loans and accrued interest receivables of 35,876 million baht or 4.54 percent as a result of a contraction in hire purchase business in line with a slowdown in car market. Nevertheless, TBANK increased its concentration in other types of loans such as corporate loans and housing loans. The ratio of retail loans to corporate and SME loans was 69 percent to 31 percent.

(Unit : Million baht)

Financial Position	31 December 2014	31 December 2013	Change from 2013	
			Increase/ (Decrease)	Percent
Liabilities and Shareholders' Equity				
Deposits	696,992	719,079	(22,087)	(3.08)
Interbank and Money Market Items - net	80,270	81,082	(812)	(1.01)
Liability Payable on Demand	1,655	3,219	(1,564)	(48.59)
Debts Issued and Borrowings	90,198	92,229	(2,031)	(2.21)
Provisions	2,800	3,146	(346)	(11.00)
Insurance Contracts Liabilities	4,698	15,019	(10,321)	(68.72)
Other Liabilities	26,113	27,335	(1,222)	(4.48)
Total Liabilities	902,726	941,109	(38,383)	(4.08)
Equity Attributable to the Bank	104,977	96,218	8,759	9.11
Non-controlling Interest	1,187	1,022	165	16.15
Total Liabilities and Equity	1,008,890	1,038,349	(29,459)	(2.84)

Total liabilities of TBANK and its subsidiaries as of 31 December 2014 were 902,726 million baht, decreased from the end of 2013 by 38,383 million baht or 4.08 percent, mainly due to the followings:

- Deposits of 696,992 million baht, decreased by 22,087 million baht or 3.07 percent from end of 2013 as a result of deposit restructuring and cost of fund management, to be in line with liquidity management strategy.
- Net interbank and money market items of 80,270 million baht, decreased by 812 million baht or 1.00 percent as a result of liquidity management.
- Debts issued and borrowings of 90,198 million baht, decreased by 2,031 million baht or 2.20 percent due to redemption of subordinated debentures of 17,000 million baht and reissuance of subordinated instruments of 13,000 million baht.

Shareholders' equity of TBANK and its subsidiaries as of 31 December 2014 totaled 104,977 million baht, increased by 8,759 million baht or 9.10 percent from end of 2013 mainly due to profit from operations in 2014. Whereas, dividend payment was made out of the 2013 net profit at a rate of 0.45 per share, amounting to a total dividend payment of 2,481 million baht.

Capital Adequacy Ratio

As of 31 December 2014, TBANK's capital fund totaled 114,636 million baht, of which an amount of 77,510 million baht was Tier I capital and 37,126 million baht was Tier II capital. The capital adequacy ratio was at 15.83 percent, increased from 14.80 percent at the end of 2013, comprising of 10.70 percent of Tier I capital and 5.13 percent of Tier II capital. An increase in total capital fund was due to an inclusion of profit gained from operating results in the first six months of 2014, while the capital fund status was also affected by dividend payment in April 2014.

However, the capital adequacy ratio was well over the minimum requirement of the BOT of not below 8.50 percent. Details were as follows:

Capital Adequacy Ratio

	31 December 2014		31 December 2013	
	Million	Percent	Million	Percent
Tier I Capital	77,510	10.70	70,818	9.47
Total Capital	114,636	15.83	110,683	14.80

Thanachart Securities Public Company Limited

The average daily trading volume of Thanachart Securities Public Company Limited (“TNS”) in 2014 was 3,745 million baht, a decrease from 4,074 million baht per day in 2013. Market share in this year was at 4.51 percent. The decrease in daily trading was in line with the slowdown in overall capital market condition. The trading volume could be divided into 72.38 percent of retails, 15.25 percent of institutions, and 12.37 percent of foreign investors.

Net profit for the year 2014 was 561 million baht, a decrease of 240 million baht or 29.95 percent from the previous year. Total income was 2,047 million baht, a decrease of 14.81 percent. Main sources of income comprised of 1,574 million baht in brokerage income, 110 million baht in fees and service income, and 187 million baht in interest income from margin loans. Financial costs and operating expenses were 1,354 million baht, a decrease from the previous year in line with the decrease in business volume and revenue.

As of 31 December 2014, TNS maintained its Net Capital Ratio (NCR) at 64.79 percent, higher than the minimum requirement of 7.00 percent regulated by the Securities and Exchange Commissions.

Thanachart Fund Management Company Limited

At the end of 2014, Thanachart Fund Management Company Limited (“TFUND”) had asset under management of 164,128 million baht, an increase of 29,725 million baht or 22.12 percent from the end of 2013. The increase was mainly from money market funds and fixed income funds. Assets under management comprised of 83.13 percent mutual funds, 9.69 percent private funds, and 7.18 percent provident funds. At the end of 2014, mutual fund business of the company ranked 8 with market share of 3.58 percent, an increase from the end of 2013, due to an increase in the asset under management of fixed income fund. Private fund business ranked 10 with market share of 2.76 percent while provident fund business ranked 13 with market share of 1.40 percent.

For operating results of 2014, TFUND had a net profit of 290 million baht, an increase of 5 million baht or 1.69 percent from the previous year. This was due to an increase in fees and service income of 33 million baht or 4.15 percent.

Thanachart Insurance Public Company Limited

Thanachart Insurance Public Company Limited (“TNI”) had a net profit of 1,047 million baht in 2014, a decrease of 94 million baht or 9.86 percent from the previous year. The key factors were given to insurance income, which amounted to 5,641 million baht, an increase of 61 million baht or 1.11 percent. This was due to a focus on products that meet the needs of target customers such as 2 plus insurance and personal accident insurance. Moreover, in 2014, TNI had income from investment amounting to 414 million baht, an increase of 42 million baht or 11.29 percent from the previous year. Claims were 2,775 million baht, an increase of 19 million baht or 0.65 percent while operating expenses were 654 million baht, an increase of 41 million baht or 6.68 percent.

TS Asset Management Company Limited

TS Asset Management Company Limited ("TS AMC") has been restructuring debts in accordance with the policy and business plan of Thanachart Group. As of 31 December 2014, TS AMC's total assets were 7,649 million baht, a decrease of 1,409 million baht or 15.56 percent from the end of the previous year. This was a result of its effective management of non-performing loans and properties foreclosed. For the operating results of the year 2014, its net profit amounted to 320 million baht. Income from debt settlement amounted to 558 million baht and interest expenses were 118 million baht. At the same time, gains on properties foreclosed and other income amounted to 144 million baht while operating expenses and impairment loss of properties foreclosed were 164 million baht and 22 million baht, respectively. TS AMC has restructured 175 loan accounts and had income from debt restructuring of 505 million baht.

Ratchthani Leasing Public Company Limited

As of 31 December 2014, Ratchthani Leasing Public Company Limited ("THANI") still had a strong financial structure during the economic slowdown. Its total assets amounted to 27,864 million baht, an increase of 571 million baht or 2.09 percent from the end of the previous year. THANI had hire purchase loans of 27,026 million baht or accounting for 96.99 percent of total assets. Total liabilities and shareholders' equity were 23,985 million baht and 3,879 million baht, respectively.

THANI's net profit for the year 2014 was 704 million baht, a decrease of 50 million baht or 6.65 percent from the previous year. Total income in 2014 was 2,754 million baht, an increase of 357 million baht or 14.88 percent, due to the fact that THANI was trying to maintain its hire purchase loans base. Interest expenses were 1,072 million baht, an increase of 155 million baht or 16.86 percent from acquiring more funds to support loan growth in 2014. Provision expenses were 432 million baht, an increase of 163 million baht or 60.66 percent. Part of those provision expenses were additionally provided to protect against the economic slowdown.

Siam City Life Assurance Public Company Limited

Siam City Life Assurance Public Company Limited ("SCILIFE") had 240 million baht in net profit for the year 2014, an increase of 278 million baht or 278 percent from 2013.

This was mainly due to revived marketing activities for new products which generated revenue, and productivity in investment.

NFS Asset Management Company Limited

As of 31 December 2014, NFS Asset Management Company Limited ("NFS AMC") had 1,809.81 million baht in total assets, a decrease of 315.94 million baht or 14.86 percent from 2013.

NFS AMC had 57.85 million baht in net profit, a decrease of 237.74 million baht or 80.43 percent from 2013. This was due to gain on sale of foreclosed assets which amounted to 30.16 million baht in 2014, a decrease of 107.56 million baht or 78.10 percent, as a result of unfavorable market condition. Other income amounted to 4.92 million baht, a decrease of 133.64 million baht or 96.45 percent, as a result of a reversal of loss from asset transferred to Thai Asset Management Corporation (TAMC). Income from debt restructuring amounted to 82.43 million baht, an increase of 32.83 million baht or 66.19 percent, while operating income amounted to 39.52 million baht in 2014, a decrease of 7.04 million baht or 15.13 percent.

MAX Asset Management Company Limited

As of 31 December 2014, MAX Asset Management Company Limited ("MAX AMC") had 739.10 million baht in total assets, a decrease of 207.24 million baht or 21.90 percent.

MAX AMC had 130.07 million baht in net profit for the year 2014, an increase of 26.83 million baht or 25.99 percent from 2013. This was mainly due to income from debt restructuring which amounted to 82.84 million baht, an increase of 29.80 million baht or 56.18 percent. Gain on sale of foreclosed assets amounted to 101.57 million baht, an increase of 9 million baht or 9.73 percent. Operating expenses in 2014 totaled 17.29 million baht, similar to that of the previous year.

In 2014, MAX AMC had a resolution to decrease registered capital from 572 million baht of ordinary shares (57.2 million ordinary shares at 10 baht per share), to 143 million baht (14.30 million ordinary shares at 10 baht per share).



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