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For more information, please contact the Company Secretary Office

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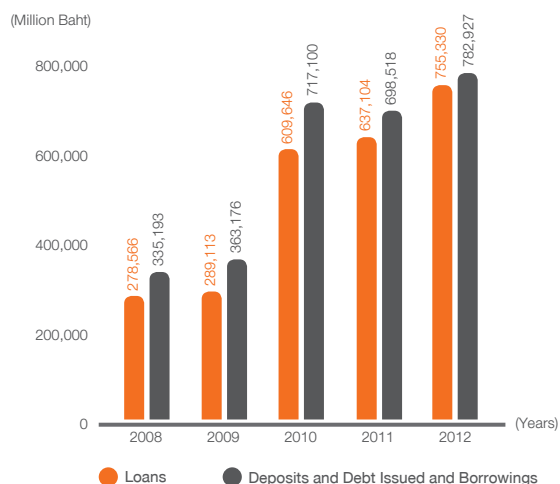
FINANCIAL HIGHLIGHTS

As at and for the year ended 31 December

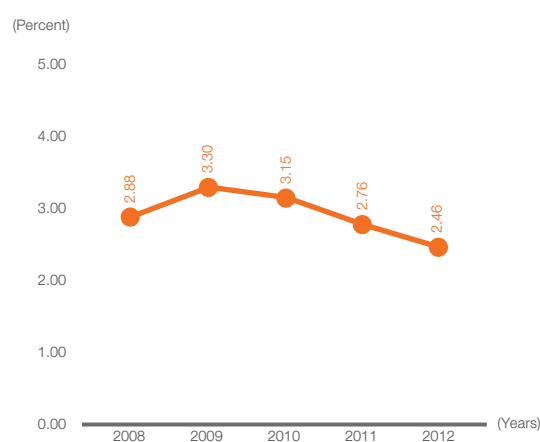
Consolidated

	2012	2011	2010	2009	2008
Operating Performance (Million Baht)					
Interest Income	49,999	44,258	35,027	22,112	21,413
Interest Expenses	25,765	19,943	11,998	7,964	10,329
Net Interest Income	24,234	24,315	23,029	14,148	11,084
Non-Interest Income	13,458	10,610	10,117	8,156	5,098
Net Operating Income ⁽¹⁾	37,692	34,925	33,146	22,304	16,182
Operating Expenses	22,578	20,940	16,347	9,291	8,247
Impairment Loss of Loans and Debt Securities	2,900	2,077	1,653	2,849	3,593
Profit for the Year	9,751	8,772	10,302	7,175	3,342
Net Profit of the Company	5,482	5,002	5,639	5,109	2,768
Profit Attributable to Non-controlling Interest	4,269	3,770	4,663	2,066	574
Operating Performance Ratio					
Basic Earnings per Share (Baht)	4.29	3.91	4.41	3.99	2.08
Return on Average Assets (ROAA) (percent)	1.04	1.00	1.41	1.77	0.93
Return on Average Equity (ROAE) (percent)	13.60	13.66	16.46	17.27	10.49
Interest Spread ⁽³⁾ (percent)	2.46	2.76	3.15	3.30	2.88
Cost to Income Ratio ⁽⁴⁾ (percent)	59.90	59.96	49.32	41.66	50.96
Financial Position (Million Baht)					
Loans	755,330	637,104	609,646	289,113	278,566
Total Assets	1,023,912	895,157	882,757	459,965	394,090
Deposits and Debt issued and Borrowings	782,927	698,518	717,100	363,176	335,193
Total Liabilities	940,122	819,476	811,038	412,558	361,729
Equity ⁽²⁾	42,772	38,259	36,092	33,323	26,592

Loans and Deposits and Debt Issued and Borrowings



Interest Spread



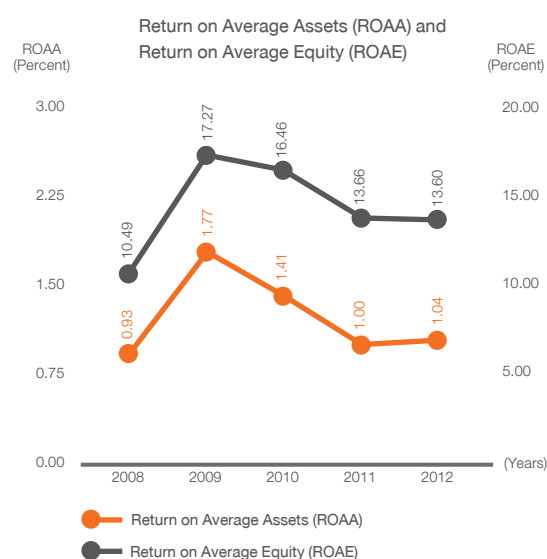
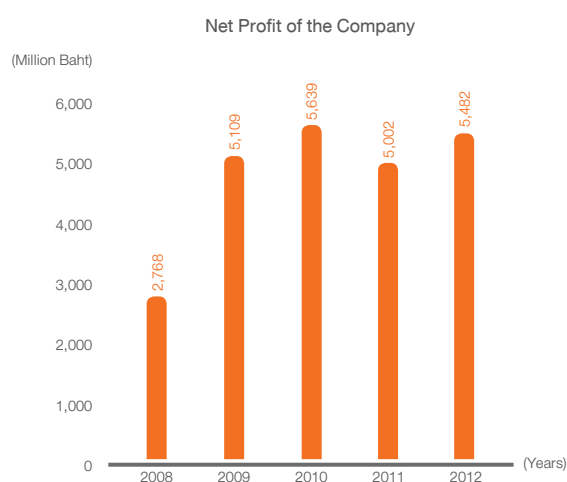
Notes: In 2012, the presentation of financial statements was revised to be in accordance with the Notification of the Bank of Thailand, Sor Nor Sor 11/2010, Re: the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Business Group, dated 3 December 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 - 2012, 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

	2012	2011	2010	2009	2008
Financial Position Quality					
Loans to Deposits and Debt Issued and Borrowings Ratio (percent)	96.48	91.21	85.02	79.61	83.11
NPL-gross to Total Loans (percent)	4.32	5.94	6.00	3.52	3.86
NPL-net to Total Loans (percent)	2.17	2.84	2.71	0.95	1.24
Coverage Ratio (percent)	73.19	68.38	69.73	86.64	81.10
Reserve to Required Reserve (percent)	124.12	107.01	113.14	107.36	106.81
Non-Performing Loans (NPLs) (Million Baht)	34,307	40,188	39,663	12,046	12,265
Capital Measures (Consolidated Supervision of the Bank of Thailand)					
Tier I Capital Ratio (percent)	7.50	8.48	10.44	14.01	12.39
Total Capital Ratio (percent)	12.07	12.53	13.08	18.00	13.93
Risk Weighted Assets (Million Baht)	750,120	679,718	618,584	261,467	240,353
Common Share Information					
Share Price ⁽⁵⁾ (Baht)					
- High	41.75	38.00	42.25	23.90	18.20
- Low	24.60	23.50	18.10	6.80	4.84
- Closing	37.75	26.00	36.00	22.10	7.05
Market Capitalization (Million Baht)	48,238	34,662	47,993	29,462	9,399
Common Shares Outstanding (Million Share)					
Average-Basic	1,278	1,278	1,278	1,280	1,333
End of Period	1,278	1,278	1,278	1,278	1,317
Book Value (Baht)	33.47	29.94	28.24	26.08	20.19
Dividends per Share ⁽⁶⁾ (Baht)	0.50	1.20	1.20	0.95	0.90
Other Information					
Employees	15,840	16,380	16,932	9,464	9,638

**Definitions and Calculation Formulas**

- ⁽¹⁾ Net Operating Income = Net Interest Income + Non-Interest Income
⁽²⁾ Excluding Minority Interest/Non Controlling Interests
⁽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 + Debt issued and Borrowings)
⁽⁴⁾ Cost to Income Ratio = Operation Expenses/Net Operating Income
⁽⁵⁾ Local Board/High - Low Share Prices During the Year
⁽⁶⁾ Dividends per Share for 2012 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 2012, and the related consolidated statements of comprehensive income, changes in shareholders' 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 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

(Phuphun Charoensuk)

Certified Public Accountant (Thailand) No. 4950

Ernst & Young Office Limited
Bangkok: 18 February 2013



STATEMENTS OF FINANCIAL POSITION

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2012 and 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Cash		15,181,402	16,005,678	-	-
Interbank and money market items - net	6	71,978,183	63,232,094	4,852,214	75,753
Derivative assets	7	2,176,536	1,536,490	-	-
Investments - net	8	150,648,783	152,511,228	6,724,409	5,657,335
Investments in subsidiaries and associates - net	9	1,795,377	1,672,981	31,572,896	31,598,119
Loans to customers and accrued interest receivables	10				
Loans to customers		813,483,032	676,790,337	318,280	1,344,436
Accrued interest receivables		1,072,443	979,725	30	9,245
Total loans to customers and accrued interest receivables		814,555,475	677,770,062	318,310	1,353,681
Less: Deferred revenue		(58,152,765)	(39,686,523)	(6,875)	(7,847)
Less: Allowance for doubtful accounts	11	(24,542,763)	(26,900,029)	(214,590)	(258,777)
Less: Revaluation allowance for debt restructuring	12	(348,390)	(385,980)	-	-
Net loans to customers and accrued interest receivables		731,511,557	610,797,530	96,845	1,087,057
Customers' liability under acceptance		41,489	90,531	-	-
Property foreclosed - net	14	9,914,893	11,560,136	1,667,150	2,006,953
Land, premises and equipment - net	15	8,344,276	8,814,746	51,905	55,150
Intangible assets - net	16	4,294,348	4,709,482	385	400
Goodwill	17	14,258,959	13,981,349	-	-
Receivables from purchase and sale of securities		2,102,712	858,326	-	664
Accrued interest and dividend receivables		1,166,040	1,050,831	81,522	78,922
Reinsurance assets		1,155,602	2,573,393	-	-
Other assets - net	18	9,342,110	5,761,842	83,431	82,595
Total assets		1,023,912,267	895,156,637	45,130,757	40,642,948

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2012 and 2011

	Note	Consolidated		(Unit: Thousand Baht)	
		financial statements		Separate	
		2012	2011	2012	2011
Liabilities and equity					
Deposits	19	693,421,291	435,864,954	-	-
Interbank and money market items	20	87,776,950	60,151,091	3	246
Liability payable on demand		4,989,214	2,130,716	-	-
Derivatives liabilities	7	1,206,215	2,885,848	-	-
Debts issued and borrowings	21	89,505,860	262,653,021	15,000,000	12,000,000
Bank's liability under acceptances		41,489	90,531	-	-
Provisions	22	3,299,608	3,143,979	215,105	210,118
Accrued interest payable		4,059,655	3,267,864	95,462	79,960
Payables from purchase and sale of securities		2,872,487	850,724	-	-
Insurance contract liabilities	23	39,632,420	36,154,060	-	-
Other liabilities	24	13,317,363	12,282,710	188,127	147,750
Total liabilities		940,122,552	819,475,498	15,498,697	12,438,074

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

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2012 and 2011

	Note	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Equity					
Share capital	25				
Registered, issued and paid-up					
13,306 preferred shares of Baht 10 each (2011: 13,336 preferred shares of Bath 10 each)		133	133	133	133
1,277,816,397 common shares of Baht 10 each (2011: 1,333,140,667 common shares of Baht 10 each)		12,778,164	13,331,407	12,778,164	13,331,407
		12,778,297	13,331,540	12,778,297	13,331,540
Premium on common share		2,065,645	2,065,645	2,065,645	2,065,645
Premium on treasury share	25	165,742	-	165,742	-
Other components of equity	26	2,125,600	1,563,281	367,003	300,712
Retained earnings					
Appropriated - statutory reserve	27	1,277,830	1,202,176	1,277,830	1,202,176
- treasury share reserve		-	387,501	-	387,501
Unappropriated		24,358,604	20,096,019	12,977,543	11,304,801
Less: Treasury share - common share	25	-	(387,501)	-	(387,501)
Equity attributable to owners of the Company		42,771,718	38,258,661	29,632,060	28,204,874
Non-controlling interests		41,017,997	37,422,478	-	-
Total equity		83,789,715	75,681,139	29,632,060	28,204,874
Total liabilities and equity		1,023,912,267	895,156,637	45,130,757	40,642,948

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



STATEMENTS OF COMPREHENSIVE INCOME

Thanachart Capital Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2012 and 2011

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

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Profit or loss					
Interest income	30	49,998,744	44,257,936	447,750	432,811
Interest expenses	31	(25,764,451)	(19,943,007)	(560,583)	(612,786)
Net interest income		24,234,293	24,314,929	(112,833)	(179,975)
Fees and service income		5,720,103	5,025,814	19,368	10,906
Fees and service expenses		(1,489,786)	(1,306,283)	(1,621)	(5,028)
Net fees and service income	32	4,230,317	3,719,531	17,747	5,878
Gains on trading and foreign exchange transactions (losses)	33	663,010	891,302	(81)	235
Gains on investments	34	852,298	1,139,226	144,364	83,129
Share of profit from investments accounted for under equity method	9.2	282,846	257,924	-	-
Gains on property foreclosed and other assets		1,059,137	47,083	207,352	95,959
Insurance premium/Life insurance premium income		16,060,354	12,853,156	-	-
Dividend income		487,955	754,598	2,726,690	1,538,141
Other operating income		2,007,325	1,672,948	164,762	248,622
Total operating income		49,877,535	45,650,697	3,148,001	1,791,989
Insurance expenses		(12,185,991)	(10,725,748)	-	-
Net operating income		37,691,544	34,924,949	3,148,001	1,791,989
Other operating expenses					
Personnel expenses		10,709,428	10,849,565	114,553	108,961
Directors' remuneration	35	57,482	67,802	26,009	24,579
Premises and equipment expenses		3,224,799	3,486,178	59,775	81,294
Taxes and duties		946,191	911,738	4,829	6,182
Other expenses		7,639,735	5,624,421	83,718	110,592
Total other operating expenses		22,577,635	20,939,704	288,884	331,608
Impairment loss of loans and debt securities (reversal of impairment loss of loans and debt securities)	36	2,899,817	2,077,347	(32,576)	(176,071)
Profit before income tax		12,214,092	11,907,898	2,891,693	1,636,452
Income tax	37	(2,462,740)	(3,135,765)	-	(1,319)
Profit for the year		9,751,352	8,772,133	2,891,693	1,635,133

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

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

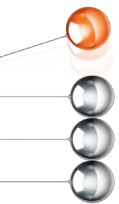
Statements of comprehensive income (continued)

For the years ended 31 December 2012 and 2011

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Other comprehensive incomes	38				
Gains (losses) on remeasuring available-for-sale investments		962,408	(299,228)	66,291	10,715
Share of other comprehensive income of associates		45,426	324	-	-
Total other comprehensive income (losses)		1,007,834	(298,904)	66,291	10,715
Total comprehensive income		10,759,186	8,473,229	2,957,984	1,645,848
Profit attributable to					
The Company		5,481,536	5,002,433	2,891,693	1,635,133
Non-controlling interests		4,269,816	3,769,700	-	-
		9,751,352	8,772,133	2,891,693	1,635,133
Total comprehensive income attributable to					
The Company		6,043,855	4,869,224	2,957,984	1,645,848
Non-controlling interests		4,715,331	3,604,005	-	-
		10,759,186	8,473,229	2,957,984	1,645,848
Earnings per share of the Company	39				
Basic earnings per share					
Profit attributable to the Company (Baht per share)		4.29	3.91	2.26	1.28
Diluted earnings per share					
Profit attributable to the Company (Baht per share)		4.29	3.91	2.26	1.28

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



STATEMENTS OF CHANGES IN EQUITY

Thanachart Capital Public Company Limited and its subsidiaries
 Statements of changes in equity
 For the years ended 31 December 2012 and 2011

(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 the value of investment in subsidiary lower than attributable net book value			Share of other comprehensive income (losses) of associates		Retained earnings		Non-controlling interests		
		Preferred shares	Common shares	Premium on common share	Premium on treasury share	Premium of a subsidiary company's share	Revaluation surplus on investments	Share of other comprehensive income (losses) of associates	Statutory reserve	Appropriated Treasury shares reserve	Unappropriated Treasury shares	Treasury shares	Total
	Balance as at 1 January 2011	159	13,331,381	2,065,645	-	775,814	713,487	(19,271)	1,120,420	387,501	16,707,621	(387,501)	69,431,417
	Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)
	Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Transfer of retained earnings to statutory reserve (Note 27)	-	-	-	-	-	-	-	81,756	-	(81,756)	-	-
	Conversion of preference shares to ordinary shares	(28)	-	-	-	-	-	-	-	-	-	-	-
	Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year (losses)	-	-	-	-	-	(133,826)	617	-	-	5,002,433	-	3,604,005
	Balance as at 31 December 2011	133	13,331,407	2,065,645	-	775,814	579,661	(18,654)	1,202,176	387,501	20,096,019	(387,501)	75,681,139
	Balance as at 1 January 2012	133	13,331,407	2,065,645	-	775,814	579,661	(18,654)	1,202,176	387,501	20,096,019	(387,501)	75,681,139
	Dividend paid (Note 29)	-	-	-	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)
	Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	-	-	-	-	-
	Transfer of retained earnings to statutory reserve (Note 27)	-	-	-	-	-	-	-	75,654	-	(75,654)	-	-
	Share capital reduction from treasury shares cancellation (Note 25)	-	(553,243)	-	165,742	-	-	-	-	(387,501)	387,501	-	-
	Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	-	-	527,972	34,347	-	-	5,481,536	-	(1,119,812)
	Balance as at 31 December 2012	133	12,778,164	2,065,645	165,742	775,814	1,107,633	15,693	1,277,830	-	24,358,604	-	83,789,715

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

STATEMENTS OF CHANGES IN EQUITY

Thanachart Capital Public Company Limited and its subsidiaries

Statements of changes in equity

For the years ended 31 December 2012 and 2011

(Unit: Thousand Baht)

	Separate financial statements										
	Issued and paid-up share capital					Other components of equity					Total
	Preferred shares	Common shares	Premium on common share	Premium on treasury share	Revaluation surplus on investments	Retained earnings			Treasury shares		
						Statutory reserve	Appropriated	Treasury shares reserve			
Balance as at 1 January 2011	159	13,331,381	2,065,645	-	289,997	1,120,420	387,501	11,283,703	(387,501)	28,091,305	
Dividend paid (Note 29)	-	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)	
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	1,117	-	1,117	
Transfer of retained earnings to statutory reserve (Note 27)	-	-	-	-	-	81,756	-	(81,756)	-	-	
Conversion of preference shares to ordinary shares	(26)	26	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	10,715	-	-	1,635,133	-	1,645,848	
Balance as at 31 December 2011	133	13,331,407	2,065,645	-	300,712	1,202,176	387,501	11,304,801	(387,501)	28,204,874	
Balance as at 1 January 2012	133	13,331,407	2,065,645	-	300,712	1,202,176	387,501	11,304,801	(387,501)	28,204,874	
Dividend paid (Note 29)	-	-	-	-	-	-	-	(1,533,396)	-	(1,533,396)	
Reversal of dividend on shares held by shareholders who are not entitled to receive dividend	-	-	-	-	-	-	-	2,598	-	2,598	
Transfer of retained earnings to statutory reserve (Note 27)	-	-	-	-	-	75,654	-	(75,654)	-	-	
Share capital reduction from treasury shares	-	(553,243)	-	165,742	-	-	(387,501)	387,501	387,501	-	
cancellation (Note 25)	-	-	-	-	66,291	-	-	2,891,693	-	2,957,984	
Total comprehensive income for the year	-	-	-	-	367,003	1,277,830	-	12,977,543	-	29,632,060	
Balance as at 31 December 2012	133	12,778,164	2,065,645	165,742	367,003	1,277,830	-	12,977,543	-	29,632,060	

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



CASH FLOWS STATEMENTS

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements

For the years ended 31 December 2012 and 2011

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	12,214,092	11,907,898	2,891,693	1,636,452
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	(282,846)	(257,924)	-	-
Depreciation and amortisation	1,624,707	1,756,275	39,166	52,945
Impairment loss of loans and debt securities (reversal)	2,899,817	2,077,347	(32,576)	(176,071)
Increase in provision for liabilities	270,729	96,318	4,987	4,119
Increase (decrease) in provision for impairment of property foreclosed	(1,834)	(59,872)	51,772	(71,731)
Increase (decrease) in provision for impairment of equipment/other assets	71,177	(148,547)	(1,527)	529
Increase (decrease) in provision for impairment/ revaluation of investments	(6,960)	89,835	(41,620)	(163)
Amortisation of deferred gain on disposal of property foreclosed	-	(30,356)	-	-
Unrealised loss (gain) on foreign exchange and financial derivatives	298,055	(145,040)	-	-
Gain on sales of/capital return from investments in subsidiary companies	(277,610)	(494,407)	(9,205)	(6,516)
Loss on transfers of assets for debt repayment	81,329	4,552	-	-
Loss (gain) on disposal of equipment	14,163	(39,130)	(1,862)	(32,375)
Decrease (increase) in accrued other income receivable	(9,812)	(123,780)	6,021	(6,545)
	16,895,007	14,633,169	2,906,849	1,400,644
Net interest income	(24,234,293)	(24,314,929)	112,833	179,975
Dividend income	(487,955)	(754,598)	(2,726,690)	(1,538,141)
Cash received from interest on operating activities	46,758,730	40,317,956	62,477	82,396
Cash paid for interest on operating activities	(16,673,292)	(11,962,976)	(47)	(15)
Cash paid for income tax	(3,793,498)	(3,935,905)	(13,766)	(15,273)
Income from operating activities before changes in operating assets and liabilities	18,464,699	13,982,717	341,656	109,586

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

CASH FLOWS STATEMENTS (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the years ended 31 December 2012 and 2011

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Interbank and money market items	(8,817,990)	23,198,723	(4,765,285)	13,447
Derivative assets	859,366	2,279,923	-	-
Investments in trading securities	3,878,783	(12,816,953)	6,099	3,086
Loans to customers	(129,872,742)	(21,858,774)	1,015,372	127,597
Property foreclosed	7,784,818	4,776,633	323,620	154,396
Receivables from purchase and sale of securities	(1,244,386)	1,148,525	664	(664)
Reinsurance assets	1,417,791	(2,040,620)	-	-
Other assets	(3,632,538)	(301,372)	(21,487)	(7,138)
Operating liabilities increase (decrease)				
Deposits	257,556,337	(96,517,456)	-	-
Interbank and money market items	27,643,242	9,891,914	(243)	(246)
Liability payable on demand	2,858,497	(996,228)	-	-
Derivatives liabilities	(2,460,410)	(924,746)	-	-
Payable from purchase and sales of securities	2,021,764	(3,203,216)	-	(603,600)
Insurance contract liabilities	3,478,360	6,380,389	-	-
Other liabilities	(355,550)	145,300	40,546	(3,533)
Net cash provided from (used in)				
operating activities	179,580,041	(76,855,241)	(3,059,058)	(207,069)
Cash flows from investing activities				
Decrease (increase) in investments in securities	(1,381,025)	6,322,104	(919,439)	1,919,745
Cash received from disposal of investments				
in subsidiary companies	-	480,055	-	-
Cash paid for purchase of investments in				
subsidiary companies	-	(16,313)	-	-
Cash received from interest	4,366,511	4,554,576	331,896	306,056
Cash received from dividend	685,299	965,830	2,726,690	1,538,141
Cash paid for purchase of land and equipment/ intangible assets	(1,030,544)	(1,411,139)	(8,184)	(2,486)
Cash received from disposal of equipment/ intangible assets	74,457	92,327	1,877	98,142
Net cash provided from (used in)				
investing activities	2,714,698	10,987,440	2,132,840	3,859,598

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

CASH FLOWS STATEMENTS (CONTINUED)

Thanachart Capital Public Company Limited and its subsidiaries

Cash flows statements (continued)

For the years ended 31 December 2012 and 2011

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2012	2011	2012	2011
Cash flows from financing activities				
Cash received from debts issued and borrowings	554,884,940	1,046,133,464	3,000,000	-
Cash paid for debts issued and borrowings	(728,032,101)	(969,088,201)	-	(1,500,000)
Cash paid for interest expenses on debt issued and borrowings	(7,319,421)	(7,764,642)	(542,984)	(620,250)
Cash paid to non-controlling interest for decrease shares capital of a subsidiary company	(6,311)	(41)	-	-
Cash paid for dividend	(1,530,798)	(1,532,279)	(1,530,798)	(1,532,279)
Cash paid for dividend to non-controlling interests	(1,115,324)	(1,172,927)	-	-
Net cash provided from (used in) financing activities	(183,119,015)	66,575,374	926,218	(3,652,529)
Net increase (decrease) in cash	(824,276)	707,573	-	-
Cash at beginning of the year	16,005,678	15,298,105	-	-
Cash at ending of the year	15,181,402	16,005,678	-	-
Supplemental cash flows information				
Non-cash transactions				
Property foreclosed transferred from loans, other receivable and investments in receivables purchased	5,986,554	3,421,731	1,161	2,312
Property foreclosed received from capital returned from a subsidiary company	-	-	34,428	30,970
Bad debt written off/hair-cut loans from debt restructuring	5,067,147	1,482,300	548	3,193

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



MANAGEMENT DISCUSSION AND ANALYSIS

Thai Economy in 2012 and Trends for 2013

Gradual Thai economic recovery despite being beset with overseas problems

In 2012, the Thai economy was faced with the global economic slowdown, the U.S. Fiscal Cliff, the euro zone debt crisis which became more intense, and the flood disaster which hard hit the country in the last quarter of 2011. However, the Thai economy managed to grow 6.4 percent* in 2012, compared to 0.1 percent* in 2011. The key factors driving the economic growth included expenditure and investment of the public sector, the post-flood recovery of the manufacturing sector, and the spending of the household sector which was greatly boosted by the tax refunds for first-time car buyers.

Amid worries over the uncertain global economy and in light of the inflation rates which were still within the established target frame with the headline inflation being 3.0 percent and the core inflation being 2.1 percent in 2012, the Monetary Policy Committee (MPC) decided to cut the policy interest rate by 25 basis points to 2.75 percent in the last quarter of 2012. The objectives were to protect against potential risks arising from the global economic uncertainty and for the expanding domestic demand to maintain momentum.

As regards the economic outlook for 2013, the country's GDP is expected to grow 4.5 - 5.5 percent*. The key factors driving the growth include the expanding domestic demand and the positive recovery of the U.S. economy, Chinese economy, and the economies in Asia, which have positive impacts on Thailand's export sector. However, Thailand is still faced with various risk factors, domestic and international. The domestic risk factors include, among others, the daily minimum wage policy which has adverse impacts on small-and medium-sized enterprises, rising cost of living, and domestic political uncertainty. The international risk factors include, among others, the volatility of world crude oil prices, the recovery of euro zone economies whose growth is expected to contract in the first half of 2013, and the global excess liquidity which has an impact on international capital flows. As a result, the currency exchange rates and the export competitiveness will be affected. However, central banks in many countries tend to maintain the policy interest rate at a relatively low level. The objectives are to spur economic growth and to maintain financial stability.

Commercial Banking Industry Outlook and Competition

The competition in the commercial banking industry was very intense in 2012 as each bank aimed to achieve the largest market share possible. The objective was to enhance profitability in line with their established targets. In 2012, the net profit of the commercial banking industry as a whole amounted to 173.9 billion baht**, an increase of 21.2 percent** over the previous year. The increase was mainly attributable to the strong loan growth. The loan growth of the commercial banking industry as a whole amounted to 13.7 percent**, mainly due to the growth of the construction industry which benefited from the government's projects and the consumer loans, particularly the automobile hire purchases as a result of the tax rebate for first-time car buyers. In relation to the capital adequacy, the capital base of the commercial banking industry was stronger, with the Capital Adequacy Ratio (CAR) amounting to 16.3 percent** and the Tier 1 Capital Ratio being 11.8 percent**, which reflected the industry's adequate capacity to comply with the Basel III requirements to be imposed in 2013.

The commercial banking industry is expected to continue expanding in 2013, in line with the GDP growth forecast of 4.5 - 5.5 percent*. The loan growth will be driven by the household sector and the private sector which attempts to meet domestic demand. However, the exports growth is expected to slow down, mainly due to the fact that the Thai currency appreciates against the

Source: * Based on the economic forecast report of the National Economic and Social Development Board released on 18 February 2013

** Based on the report of performance of Thai Banking System of 2012 of the Bank of Thailand released on 7 February 2013

US dollar as a result of foreign capital inflows. Moreover, it is believed that the commercial banks will be more careful in setting aside provision as a result of the remarkable loan growth. It is also important to closely monitor the global economy which could affect the domestic economic growth, as well as the daily minimum wage policy which has impacts on small-and medium-sized enterprises, and the rising cost of living which affects borrowers' ability to repay loans, especially personal loans and hire purchases. However, it is expected that in 2013, the MPC may adopt a relaxing fiscal policy to tackle foreign capital inflows caused by the global excess liquidity, to spur the domestic economy, and to mitigate the volatility of Thai currency so that it will not affect the export sector. Other countries in Asia whose economy depends on the export sector are also expected to the same manner.

Financial Position and Performance of the Company and Its Subsidiaries

Major Items in 2012

January 2012

- Corporate income tax rate for the year 2012 was changed from 30 percent to 23 percent
- Since 1 January 2012, Thanachart Bank Public Company Limited ("TBANK") has changed its accounting estimates regarding the provision providing for hire purchase loans by implementing the Collective Approach which provides provision from the historical loss data calculated from the probability of default and loss given default.

March 2012

- SCIB Public Company Limited paid cash for capital return to TBANK at a rate of 14.50 baht per share, totaling to 30,629 million baht. In this connection, TBANK recorded down its investment in such company, resulted in the decrease in its cost of investments from 32,542 million baht to 1,913 million baht.

June 2012

- The Board of Directors of Thanachart Capital Public Company Limited (the Company) had a resolution to approve the Company to repurchase its shares (treasury shares) in amount of less than 10 percent of the total paid-up shares of the Company, equivalent to 133,315,400 shares. In this connection, the Company was able to buy back its shares in

the total of 55,324,300 shares or 4.15 percent of the total paid-up capital. After the specified period of reselling the repurchased shares, on 15 June 2012, the Company decreased its capital by writing off its treasury shares at a par value of 10 baht per share, a total decrease paid-up capital of 553,243,000 baht. As a result, the Company's paid-up capital decreased from 13,331,540,030 baht to 12,778,297,030 baht.

July 2012

- On 20 July 2012, TBANK issued and offered subordinated debentures in a total amount of 8,497,000 units at face value of 1,000 baht per unit, totaling to 8,497.0 million baht. Such debentures are due in 2022 and offer a fixed rate of 4.70 percent per annum with quarterly interest payments. TBANK has a right of early redemption at face value when it is in line with the specified conditions. Such debentures can be counted as Tier 2 capital.

October 2012

- On 19 October 2012, TBANK issued and offered subordinated debentures in a total amount of 4,018,500 units at face value of 1,000 baht, totaling to 4,018.5 million baht. Such debentures are due in 2022 and offer a fixed rate of 4.70 percent per annum with quarterly interest payments. TBANK has a right of early redemption at face value when it is in line with the specified conditions. Part of them which amounted to 2,275.9 million baht was granted by the BOT to consider as Tier 2 capital in 2012 and the rest which amounted to 1,742.5 million baht was approved by the BOT to consider as Tier 2 capital from 1 January 2013.

- Thanachart Life Assurance Public Company Limited ("TLIFE") offered and issued ordinary shares for capital increase in the amount of 278.5 million shares at 10 baht per share. In this connection, TBANK exercised its right to buy all of the shares for capital increase. As a result, the investment in TLIFE increased from 936 million baht to 3,721 million baht.

November 2012

On 5 November 2012, TBANK entered into a share purchase agreement to sell all the ordinary shares of TLIFE held by it to Prudential Life Assurance (Thailand) Public Company Limited. The counterparty also signed the agreement to jointly develop life insurance products and services through the branches of TBANK nationwide under the main conditions disclosed in the notes to financial statements no. 9 "Investments in subsidiary and associated companies".

Consolidated Financial Statements Include Performances of the Following Subsidiaries

Subsidiary companies directly held by the Company

Thanachart Bank Public Company Limited
NFS Asset Management Company Limited
MAX Asset Management Company Limited

Subsidiary companies indirectly held by the Company

SCIB Public Company Limited (formerly known as “Siam City Bank 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 Legal and Appraisal Company Limited
Thanachart Training and Development Company Limited
TS Asset Management Company Limited
Siam City Life Assurance Public Company Limited
SCIB Services Company Limited
Ratchthani Leasing Public Company Limited
National Leasing Company Limited

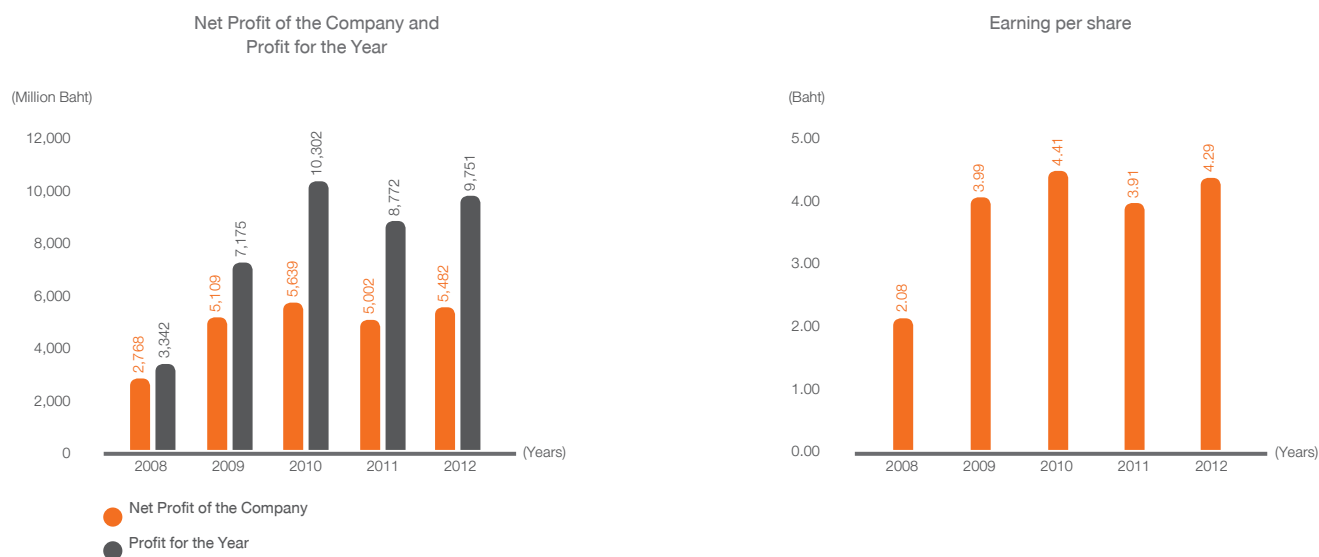
Operating Results Overview

In 2012, Thanachart Group has experienced yet another year of strong performance. Total assets grew significantly, mainly by the loan growth in every segment. As a result, at the end of 2012, total assets amounted to 1,023,912 million baht with 18.56 percent loan growth as compared to the previous year. Operating results in 2012 have faced an adverse impact from narrowing interest spread but was partly compensated by the strong loan growth which benefited from the government policy on excise tax rebate for first-time car buyers. As a result, net interest income was similar to that of the previous year. Non-interest income increased due to successful efforts in synergy and cross-selling among Thanachart Group. Operating expenses rose following the growing business volume. Net operating income growth rate surpassed that of operating expenses, showing an ability to control cost effectively amidst business expansion. The ratio of impairment loss of loans to total loans (Credit Cost) inclined slightly. Consequently, Thanachart Group had a consolidated net profit of 9,751 million baht of which 5,482 million baht was a net profit attributable to the Company, representing an increase of 480 million baht or 9.60 percent from the previous year.

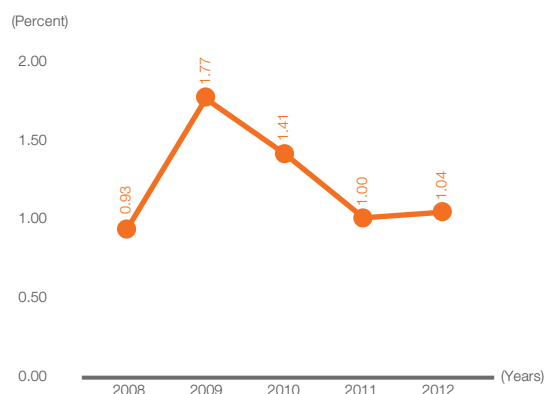
(Unit: Million Baht)

Consolidated Statements of Comprehensive Income	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Interest Income	49,999	44,258	5,741	12.97
Interest Expenses	25,765	19,943	5,822	29.19
Net Interest Income	24,234	24,315	(81)	(0.33)
Net Fees and Service Income	4,230	3,720	510	13.71
Operating Income	9,228	6,890	2,338	33.93
Operating Expenses	22,578	20,940	1,638	7.82
Impairment Loss of Loans and Debt Securities	(2,900)	(2,077)	(823)	39.62
Profit before Income Tax and Non-controlling Interest	12,214	11,908	306	2.57
Income Tax	(2,463)	(3,136)	673	(21.46)
Profit for the Year	9,751	8,772	979	11.16
Net Profit of the Company	5,482	5,002	480	9.60
Profit Attributable to Non-controlling Interest	4,269	3,770	499	13.24

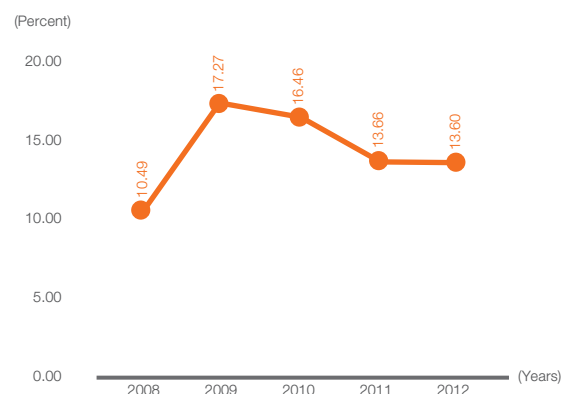
Earning per share (EPS) in 2012 was 4.29 baht per share, an increase from 3.91 baht per share in the previous year. Return on Average Assets (ROAA) and Return on Average Equity (ROAE) were at 1.04 percent and 13.60 percent respectively.



Return on Average Assets (ROAA)



Return on Average Equity (ROAE)



Net Interest Income

(Unit: Million Baht)

Net Interest Income	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Interest Income				
Interbank and Money Market Items	2,348	1,899	449	23.64
Investments and Trading Transactions	491	86	405	470.93
Investments in Debt Securities	4,503	4,319	184	4.26
Loans to Customers	21,502	20,942	560	2.67
Hire Purchase and Financial Lease	21,155	17,012	4,143	24.35
Total Interest Income	49,999	44,258	5,741	12.97
Interest Expenses				
Deposits	14,531	8,969	5,562	62.01
Interbank and Money Market Items	1,561	1,127	434	38.51
Contribution Fees to the Financial Institution				
Development Fund and the Deposit Protection Agency	2,995	1,955	1,040	53.20
Debts Issued	6,664	7,889	(1,225)	(15.53)
Borrowings Cost	14	3	11	366.67
Total Interest Expenses	25,765	19,943	5,822	29.19
Net Interest Income	24,234	24,315	(81)	(0.33)

For the year 2012, the Company and its subsidiaries had 24,234 million baht of net interest income, a decrease of 81 million baht or 0.33 percent comparing to the previous year. Interest spread was at 2.46 percent, a decrease from 2.76 percent in the previous year. Interest income was 49,999 million baht, an increase of 5,741 million baht or 12.97 percent from the previous year. This was mainly due to loans growth, particularly hire purchase loans which increased by 38.57 percent. In 2012, interest expenses amounted to 25,765 million baht, an increase of 5,822 million baht or 29.19 percent from the previous year. This was mainly due to an increase in deposit base, issuance of debentures from the companies under the Group, and additional cost paid to the Financial Institution Development Fund and the Depository Protection Agency.

Interest Spread

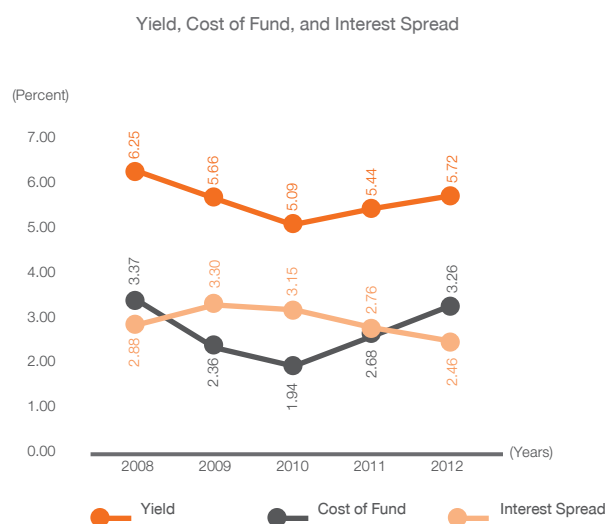
(Unit: percent)

Interest Spread	For the Year	
	2012	2011
Yield ⁽¹⁾	5.72	5.44
Cost of Fund ⁽²⁾	3.26	2.68
Interest Spread	2.46	2.76

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)

Interest spread in 2012 was at 2.46 percent, a decline from 2.76 percent in the previous year. This was mainly due to an increase in cost of fund from the competition in deposit products to support loan growth, the issuance of 26,588 million baht debentures during 2012 of member companies under the Group to support future business growth for maintaining the capital level under Basel III regulation, and the impact from additional expenses paid to the Financial Institutions Development Fund and the Deposit Protection Agency.



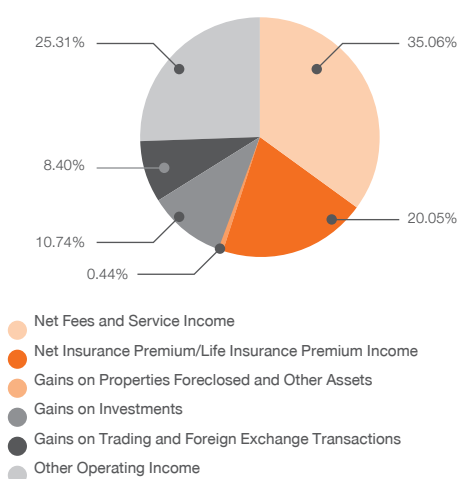
Non-interest Income

Non-interest income includes net fees and service income, gains on trading and foreign exchange transactions, gains on investments, share of profit from investments in associated companies accounted for under equity method, gains on properties foreclosed and other assets, net insurance premium/life insurance premium income, dividend income, and other operating income

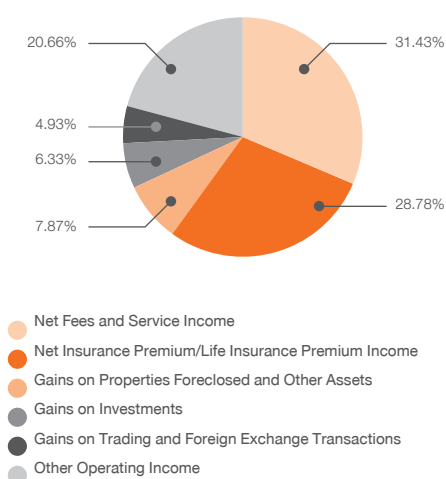
In 2012, the Company and its subsidiaries had non-interest income amounting to 13,458 million baht, an increase of 2,848 million baht or 26.84 percent from the previous year. Net interest income to non-interest income ratio in 2012 was 64 to 36 while it was 70 to 30 in 2011.

Proportion of Non-interest Income

31 December 2011



31 December 2012



• Net Fees and Service Income

(Unit: Million Baht)

Net Fees and Service Income	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Fees and Service Income				
- Acceptance, Aval and Guarantees	331	271	60	22.14
- Brokerage Fee from Securities/Derivatives	1,216	1,168	48	4.11
- Hire Purchase Fee Income	1,084	911	173	18.99
- Credit Card Fee	763	584	179	30.65
- ATM and Electronic Banking Services	710	746	(36)	(4.83)
- Insurance Brokerage Fee Income	334	224	110	49.11
- Others	1,282	1,122	160	14.26
Total Fees and Service Income	5,720	5,026	694	13.81
Fees and Service Expenses	(1,490)	(1,306)	(184)	14.09
Net Fees and Service Income	4,230	3,720	510	13.71

For the year 2012, the Company and its subsidiaries had 4,230 million baht in net fees and service income, an increase of 510 million baht or 13.71 percent comparing to the previous year. This was mainly due to the customer base expansion and the more diversified transactions of Thanachart Group. Fees and service income amounted to 5,720 million baht, an increase of 694 million baht or 13.81 percent while fees and service expenses equaled 1,490 million baht, an increase of 184 million baht or 14.09 percent.

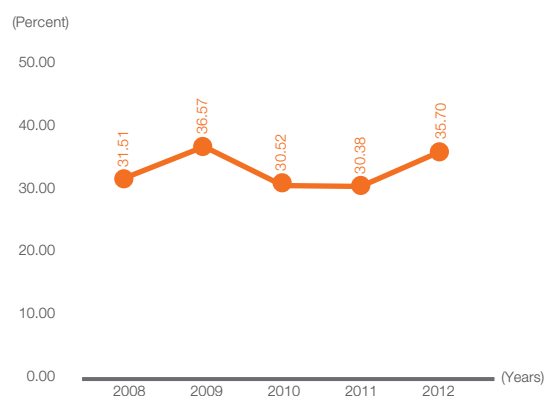
- Operating Income

(Unit: Million Baht)

Operating Income	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Gains on Trading and Foreign Exchange Transactions	663	891	(228)	(25.59)
Gains on Investments	852	1,139	(287)	(25.20)
Share of Profit from Investments in Associated Companies				
Accounted for Under Equity Method	283	258	25	9.69
Gains on Properties Foreclosed and Other Assets	1,059	47	1,012	2,153.19
Net Insurance Premium/Life Insurance Premium Income	3,874	2,127	1,747	82.13
Dividend Income	488	755	(267)	(35.36)
Other Operating Income	2,009	1,673	336	20.08
Total Operating Income	9,228	6,890	2,338	33.93

For the year 2012, the Company and its subsidiaries had 9,228 million baht in operating income, an increase of 2,338 million baht or 33.93 percent from the previous year. This was mainly due to the growth in every member company under the Group. Net insurance/life insurance premium income increased by 1,747 million baht or 82.13 percent as a result of insurance/life insurance premium income that increased in line with the hire purchase loans growth. Gains on properties foreclosed and other assets were 1,059 million baht, an increase of 1,012 million baht, due to the effective distressed asset management of the group in this year. Other income increased from business expansion of every unit under the Group.

Non-interest Income Ratio

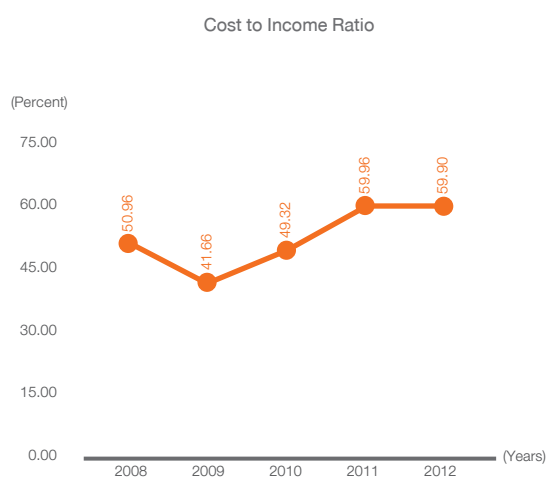


Other Operating Expenses

(Unit: Million Baht)

Operating Expenses	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Personnel Expenses	10,709	10,849	(140)	(1.29)
Directors' Remuneration	57	68	(11)	(16.18)
Premises and Equipment Expenses	3,225	3,486	(261)	(7.49)
Taxes and Duties	946	912	34	3.73
Other Expenses	7,641	5,625	2,016	35.84
Total Operating Expenses	22,578	20,940	1,638	7.82

For the year 2012, the Company and its subsidiaries had 22,578 million baht in operating expenses, an increase of 1,638 million baht or 7.82 percent from the previous year. This was mainly due to an increase in other expenses, including sales promotions which varies with business volumes. At the same time, personnel expenses and premise and equipment expenses declined although there were expenses related to IT development and improvement of service and working process in order to compete and support future business growth. In 2012, cost to income ratio was 59.90 percent, a decrease from the previous year of 59.96.

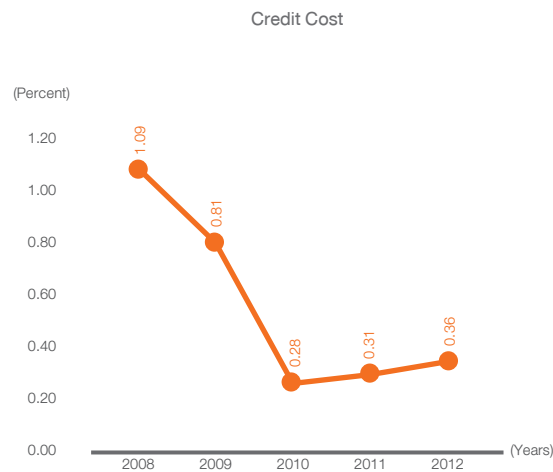


Impairment Loss of Loans and Debt Securities

(Unit: Million Baht)

Impairment Loss of Loans and Debt Securities	For the Year		Changes	
	2012	2011	Increase/ (Decrease)	Percent
Impairment Loss of Loans	2,881	2,133	748	35.07
Loss from Debt Restructuring (Reversal)	15	(35)	50	142.86
Loss from Impairment of Debt Securities (Reversal)	4	(21)	25	119.05
Total Impairment Loss of Loans and Debt Securities	2,900	2,077	823	39.62
Credit Cost (Percent)	0.36	0.31		16.13

For the year 2012, the Company and its subsidiaries' impairment loss of loans and debt securities expenses were 2,900 million baht, an increase of 823 million baht or 39.62 percent from the previous year. This was due to the impact from the flood crisis in the end of the previous year and the expansion of loans in this year. However, from the effective debt restructuring of clients in this year as well as the implementation of Collective Approach for the impairment loss of loans calculation on TBANK's hire purchase loans since the 1st quarter 2012, the impairment loss of loans and debt securities expenses were lower than industry average. As a result, credit cost was at 0.36 percent, an increase from 0.31 percent from the previous year.



Financial Position

As of 31 December 2012, total assets of Thanachart Group were 1,023,912 million baht, an increase of 128,755 million baht or 14.38 percent from the end of 2011. This was mainly due to loans and accrued interest receivables which increased by 18.54 percent and continue to increase.

(Unit: Million Baht)

Consolidated Statements of Financial Position	31 December 2012		31 December 2011		Changes
	Amount	Percent	Amount	Percent	Percent
Interbank and Money Market Items-net	71,978	7.03	63,232	7.06	13.83
Investments-net	150,649	14.71	152,511	17.04	(1.22)
Investments in Associated Companies-net	1,795	0.18	1,673	0.19	7.29
Loans to Customers and Accrued Interest Receivables	756,403	73.87	638,084	71.28	18.54
Allowance for Doubtful Accounts and Revaluation Allowance for Debt Restructuring	(24,891)	(2.43)	(27,286)	(3.05)	(8.78)
Intangible Assets Acquired in a Business Combination-net	2,960	0.29	3,498	0.39	(15.38)
Goodwill	14,259	1.39	13,981	1.56	1.99
Other Assets	50,759	4.96	49,464	5.53	2.62
Total Assets	1,023,912	100.00	895,157	100.00	14.38
Deposits	693,421	67.73	435,865	48.69	59.09
Interbank and Money Market Items	87,777	8.57	60,151	6.72	45.93
Debt Issued and Borrowings	89,506	8.74	262,653	29.34	(65.92)
Other Liabilities	69,418	6.78	60,807	6.80	14.16
Total Liabilities	940,122	91.82	819,476	91.55	14.72
Company's Shareholders' Equity	42,772	4.18	38,259	4.27	11.80
Non-controlling Interest	41,018	4.00	37,422	4.18	9.61
Total Equity	83,790	8.18	75,681	8.45	10.71
Total Liabilities and Equity	1,023,912	100.00	895,157	100.00	14.38

The details of key factors contributing to the assets were as follows:

Interbank and Money Market Items (Assets)

As of 31 December 2012, interbank and money market items-net were 71,978 million baht, an increase of 8,746 million baht or 13.83 percent from the end of previous year. This was due to the excess liquidity management.

Investments

As of 31 December 2012, total investments of the Company and its subsidiaries amounted to 152,444 million baht, a decrease of 1,740 million baht or 1.13 percent from the end of the previous year, mainly due to maturity of foreign debt securities. The investments included debts securities of 137,694 million baht, equity securities of 12,955 million baht, and investments in associated companies of 1,795 million baht.

(Unit: Million Baht)

Investments Classified by Type	31 December 2012		31 December 2011	
	Amount	Percent	Amount	Percent
Debt Securities	137,694	90.32	139,350	90.38
Government and State Enterprises Securities				
• Trading	6,040	3.96	10,855	7.04
• Available-for-sale	55,434	36.36	41,103	26.66
• Held-to-maturity	23,388	15.34	28,575	18.53
Private Debt Securities				
• Trading	5,730	3.76	4,758	3.09
• Available-for-sale	30,718	20.15	18,553	12.03
• Held-to-maturity	2,731	1.79	6,592	4.28
• Investments in Receivables Purchased	1,279	0.84	1,352	0.88
Foreign Debt Securities				
• Trading	628	0.41	637	0.41
• Available-for-sale	11,746	7.71	25,425	16.49
• Held-to-maturity	-	-	1,500	0.97
Equity Securities	12,955	8.50	13,161	8.54
• Trading	16	0.01	45	0.03
• Available-for-sale	8,235	5.40	8,553	5.55
• Held-to-maturity	4,704	3.09	4,563	2.96
Total Investments-net	150,649	98.82	152,511	98.92
Investments in Associated Companies	1,795	1.18	1,673	1.08
Total Investments	152,444	100.00	154,184	100.00

Loans to Customers

As of 31 December 2012, loans to customers amounted to 755,330 million baht, an increase of 118,226 million baht or 18.56 percent from the end of last year. This was mainly due to an expansion in hire purchase loans as mentioned. During the year 2012, Thanachart Group has restructured and settled debts with various corporate clients. Excluding loan reduction due to debt settlement, loans grew by 19.81 percent. Portion of retail loans to corporate and SME loans was 68 percent to 32 percent.

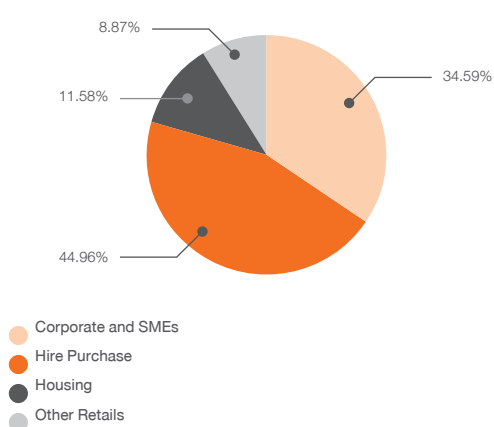
Loans to customers could be divided by type of business as follows:

(Unit: Million Baht)

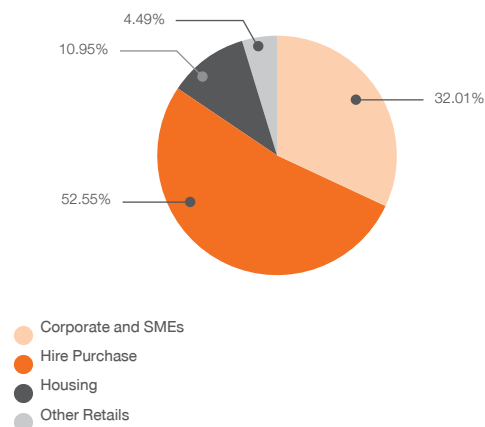
	31 December 2012	Percent	31 December 2011	Percent
1. Agricultural and Mining	16,655	2.20	10,848	1.70
2. Manufacturing and Commerce	89,126	11.80	82,335	12.92
3. Real Estate and Construction	51,573	6.83	48,275	7.58
4. Public Utilities and Services	63,472	8.40	58,660	9.20
5. Personal Consuming				
5.1 Hire Purchase	396,985	52.55	286,490	44.96
5.2 Housing Loans	82,742	10.95	73,809	11.58
5.3 Securities Business	2,613	0.35	2,236	0.35
5.4 Others	31,302	4.14	54,271	8.52
6. Others	20,980	2.78	20,340	3.19
Total Loans to Customers	755,448	100.00	637,264	100.00
<u>Less</u> Intercompany Gain from Loans Transferred	(118)		(160)	
Total	755,330	100.00	637,104	100.00

Proportion of Loans to Customers Classified by Type of Business

31 December 2011



31 December 2012



Classified Loans

Classified Loans 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 to Customers and Accrued Interest Receivables				Allowance for Doubtful Accounts			
	31 Dec 12	Percent	31 Dec 11	Percent	31 Dec 12	Percent	31 Dec 11	Percent
Normal	671,689	91.52	542,595	87.18	4,885	20.69	4,049	15.69
Special Mention	28,575	3.89	40,463	6.50	1,475	6.25	721	2.80
Substandard	5,312	0.73	7,151	1.15	3,559	15.07	3,897	15.10
Doubtful	4,543	0.62	11,775	1.89	2,394	10.14	7,509	29.10
Doubtful of Loss	23,781	3.24	20,405	3.28	10,801	45.74	9,209	35.69
Total	733,900	100.00	622,389	100.00	23,114	97.89	25,385	98.38
Additional Allowance for Possible Uncollectability Debts	-	-	-	-	499	2.11	417	1.62
Total Allowance	733,900	100.00	622,389	100.00	23,613	100.00	25,802	100.00

Note: Classified loans specified only the Company and its subsidiaries that were 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)

	Receivables Balance		Allowance for Doubtful Accounts	
	2012	2011	2012	2011
Normal	2,440	1,930	-	-
Substandard	5	3	4	2
Doubtful	168	303	168	303
Total	2,613	2,236	172	305

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 due date of contracts (after elimination of intercompany transactions) were as follows:

(Unit: Million Baht)

	31 December 2012	31 December 2011
Current or Overdue not over 90 Days	19,254	12,846
Overdue 91 - 365 Days	249	363
Overdue more than 1 Year	64	66
Debtors under Legal Actions	233	205
Total	19,800	13,480
Allowance for Doubtful Accounts Provided in the Accounts	757	792

Non-Performing Loans: NPLs

(Unit: Million Baht)

	31 December 2012	31 December 2011
NPLs	34,307	40,188
NPL-net	16,834	18,633
NPL-gross to Total Loans (Percent)	4.32	5.94
NPL-net to Total Loans (Percent)	2.17	2.84
Coverage Ratio (Percent)	73.19	68.38

As of 31 December 2012, NPLs amounted to 34,307 million baht, a decrease of 5,881 million baht or 14.63 percent from the end of the previous year. This was due to a consistent achievement and efficient management in NPLs by the distressed asset management companies under the Group especially TS AMC.

Allowance for Doubtful Accounts

As of 31 December 2012, the Company and its subsidiaries had the allowance for doubtful accounts amounting to 25,110 million baht, a decrease of 2,369 million baht or 8.62 percent from the previous year. The allowance for doubtful accounts included 24,542 million baht allowance for retail and corporate clients, 219 million baht allowance for financial institution clients, and 348 million baht allowance for the revaluation from debt restructuring. Total allowance for doubtful account of 25,110 million baht equaled 124.12 percent of the reserve required by the Bank of Thailand. In addition, the ratio of the allowance for doubtful accounts to NPLs (coverage ratio) was at 73.19 percent.



Debt Restructuring

As of 31 December 2012, the Company and its subsidiaries had 1,726,143 debtors in total, of which 55,118 were restructured debtors with outstanding balance of 34,390 million baht and outstanding balance after collateral of 19,787 million baht. During 2012, the Company and its subsidiaries have entered into debt restructuring agreements with debtors in the total amount of 15,305 debtors whose outstanding balance before restructuring amounted to 17,828 million baht.

Properties Foreclosed

As of 31 December 2012, the properties foreclosed, which were stated at cost, of the Company and its subsidiaries amounted to 10,678 million baht, accounting for 1.04 percent of the total assets. The properties foreclosed were taken into account the allowance for impairment of 763 million baht, accounting for or 7.15 percent of total value at cost.

Capital Expenditure

As of 31 December 2012, the Company and its subsidiaries invested 1,031 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 2012, the Company and its subsidiaries had cash amounting to 15,181 million baht. The details about the net cash flows received from various activities were as follows:

- The net cash flows from operating activities were a result of key changes in operating assets and liabilities. These included the increase of 8,818 million baht in interbank and money market items (assets); the decrease of 3,879 million baht in derivative assets; the increase of 129,873 million baht in loans to customers; the decrease of 7,785 million baht in properties foreclosed; the increase of 257,556 million baht in deposits; the increase of 27,643 million baht in interbank and money market items (liabilities); the increase of 2,858 million baht in liabilities payable on demand; the decrease of 2,460 in derivatives liabilities; the increase of 2,022 million baht in payables from purchase and sale securities; and the increase of 3,478 million baht in insurance contract liabilities.

- The net cash flows from investing activities amounted to 2,715 million baht. The cash receipts mostly included the increase of 1,381 million baht in investments in securities; 4,367 million baht received from interest; 685 million baht received from dividend; 74 million baht received from the disposal of equipment and intangible assets. On the other hand, the cash payments included 1,031 million baht paid for purchase of land, equipment, and intangible assets.

- The net cash flows from financing activities amounted to 183,119 million baht. The cash receipts amounted to 554,885 million baht from debt issued and borrowings. On the other hand, the cash payments included 728,032 million baht paid for debts issued and borrowings; 7,319 million baht paid for interest expenses on debts issued and borrowings; 6 million baht paid for non-controlling interest from capital decrease/capital return of a subsidiary; and 2,646 million baht paid for dividend.

Source of Funds

Capital Structure

The Company and its subsidiaries' sources of funds come from two sources which are liabilities and shareholders' equity. As of 31 December 2012, the Company and its subsidiaries recorded funds from liabilities and shareholders' equity of 940,122 million baht and 83,790 million baht, which accounted for 91.82 percent and 8.18 percent of total capital funds respectively. The ratio of debts to equity was at 11.22 times or in another words, debts accounted for 11.22 times over the operating capital. The important components of funds from liabilities consisted of deposits which accounted for 73.76 percent of funds from liabilities while interbank and money market items, debt issued and borrowings, and other liabilities accounted for 9.34 percent, 9.52 percent, and 7.38 percent respectively.

Liabilities

Total liabilities of Thanachart Group as of 31 December 2012 were 940,122 million baht, an increase of 120,646 million baht or 14.72 percent from the end of 2011. The key items were as follows:

(Unit: Million Baht)

Total Liabilities	31 December 2012		31 December 2011	
	Amount	Percent	Amount	Percent
Deposits	693,421	73.76	435,865	53.19
Interbank and Money Market Items	87,777	9.34	60,151	7.34
Debts Issued and Borrowings	89,506	9.52	262,653	32.05
Other Liabilities	69,418	7.38	60,807	7.42
Total Liabilities	940,122	100.00	819,476	100.00

The Details of Deposits and Debts Issued and Borrowings

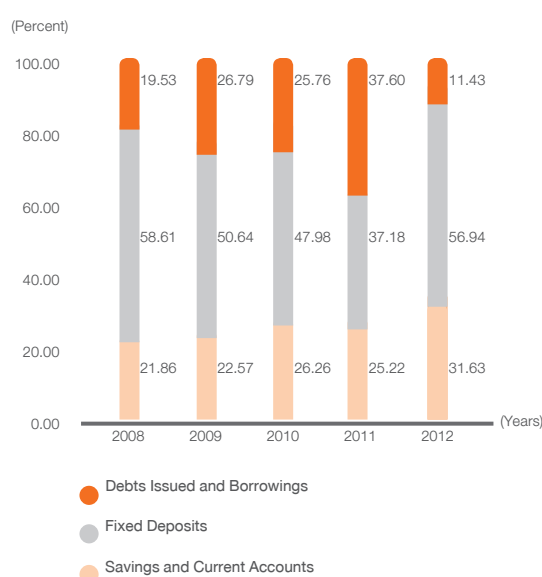
(Unit: Million Baht)

Deposits and Debts Issued and Borrowings	31 December 2012		31 December 2011		Changes
	Amount	Percent	Amount	Percent	Percent
Current	8,504	1.09	7,117	1.02	19.49
Savings	239,104	30.54	169,051	24.20	41.44
Fixed Deposits					
Less than 6 Months	115,133	14.70	52,172	7.47	120.68
6 Months to 1 Year	202,747	25.90	133,546	19.12	51.82
Over 1 Year	127,931	16.34	73,916	10.58	73.08
Others	2	0.00	63	0.01	(96.83)
Total Deposits	693,421	88.57	435,865	62.40	59.09
Debts Issued and Borrowings	89,506	11.43	262,653	37.60	(65.92)
Total Deposits and Debts Issued and Borrowings	782,927	100.00	698,518	100.00	12.08

- Deposits registered at 693,421 million baht, an increase of 257,556 million baht or 59.09 percent from the previous year. Of the total deposits, the current accounts and savings accounts deposits (CASA) to total deposits and debts issued and borrowings accounted for 31.63 percent, an increase from 25.22 percent in the previous year. This was due to the fact that Thanachart Bank offered various saving products that suit market needs during the year.

- Debts issued and borrowings were 89,506 million baht, a decrease of 173,147 million baht or 65.92 percent. During 2012, the Company issued unsubordinated debentures of 3,000 million baht and Thanachart Bank issued subordinated debentures of 12,516 million baht and unsubordinated debentures of 2,072 million baht. Also, Ratchthani Leasing (a subsidiary company) issued 9,000 million baht of unsubordinated debentures.

Total Deposit and Debts Issued and Borrowings Breakdown



- Interbank and money market were 87,777 million baht, an increase of 27,626 million baht or 45.93 percent from the end of the previous year, mainly due to excess liquidity management of TBANK.

Shareholders' Equity

Total shareholders' equity amounted to 83,790 million baht, an increase of 8,109 million baht or 10.71 percent from the end of 2011. The key contributing factors were as follows:

- Equity attributable to the owners of the Company was 42,772 million baht, an increase of 4,513 million baht or 11.80 percent. This was mainly due to an increase in operating profit in 2012 of TCAP and its subsidiaries amounting to 5,482 million baht, the dividend payment of 894 million baht paid from the second half performance of 2011, and the dividend payment of 639 million baht paid for the first six-month performance of 2012.

- Non-controlling interests were 41,018 million baht, an increase of 3,596 million baht or 9.61 percent, mainly due to the performance results of TBANK and its subsidiaries.

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

(Unit: Million Baht)

Subsidiary Companies	Percent of Shareholding Direct/Indirect	Net Profit for the Year ended 31 December	
		2012	2011
Thanachart Bank Public Company Limited			
Consolidated Financial Statements		8,221	7,671
Separate Financial Statements	50.96	6,804	6,668
Thanachart Securities Public Company Limited	50.96	458	293
Thanachart Fund Management Company Limited	38.22	141	89
Thanachart Insurance Public Company Limited	50.96	616	436
Thanachart Life Assurance Public Company Limited	50.96	1,715	770
TS Asset Management Company Limited	50.96	1,718	93
Ratchthani Leasing Public Company Limited*	33.22	489	205
NFS Asset Management Company Limited	100.00	460	446
MAX Asst Management Company Limited	83.44	280	120

Note: * Thanachart Bank has been holding 65.18 percent of Ratchthani Leasing since November 2011

Financial Position and Performance of Subsidiaries

Thanachart Bank Public Company Limited

Operating Results Overview

(Comparing consolidated financial statements of the year 2011 and 2012)

(Unit: Million Baht)

Statements of Comprehensive Income	2012	2011	Change	
			Increase/ (Decrease)	Percent
Interest income	49,653	44,052	5,601	12.71
Interest expenses	25,535	19,636	5,899	30.04
Net Interest income	24,118	24,416	(298)	(1.22)
Net fees and service income	4,212	3,711	501	13.50
Other operating income ⁽¹⁾	7,649	5,754	1,895	32.93
Operating expenses ⁽²⁾	22,341	20,747	1,594	7.68
Profit (loss) before impairment loss on loans and debt securities	13,638	13,134	504	3.84
Impairment loss on loans and debt securities	2,980	2,504	476	19.01
Profit (loss) before income tax	10,658	10,630	28	0.26
Income tax	2,223	2,948	(725)	(24.59)
Net profit	8,435	7,682	753	9.80
Profit attributable to the Bank	8,221	7,671	550	7.17
Non-controlling interests	214	11	203	1,845.45
Earning per share (baht)	1.49	1.39		
Weighted average number of ordinary shares (million shares)	5,513.66	5,513.66		

Note: ⁽¹⁾ Net underwriting expense

⁽²⁾ Exclude underwriting expense

TBANK and its subsidiaries had a net profit of 8,435 million baht in the year 2012 of which 8,221 million baht was a net profit attributable to the Bank, representing an increase of 549 million baht or 7.16 percent from the end of the previous year. The key contributing factors included the following:

- **Loan grew by 18.71 percent from the end of 2011.** In particular, hire purchase loan grew as much as 38.89 percent from the end of the previous year, mainly a result of excise tax rebate policy and slowdown in automobile manufacturing in the last quarter of 2011 due to flood crisis. Furthermore, improvements in credit review process and IT system allowed for greater efficiency in supporting new business and enabled TBANK to capture a large business volume from excise tax rebate policy impact and maintain market leader position in hire purchase. Hire purchase loan outstanding totaled to 396,519 million baht with 19 percent penetration rate in the year 2012. Used car hire purchase and cash your car loan also experienced high growth this year.

- **Total deposits and borrowings grew by 12.48 percent from the end of 2011.** Total deposits increased by 262,332 million baht or 60.16 percent. This was a result of funding restructuring and new acquisition in ultra saving, short-term fixed deposits, 4-month, 5-month, 6-month, and 11-month fixed deposits. During the year, TBANK has strategized its product offering with suitable interest rate in response to an increase in policy rate. Deposits have been acquired from retail customers while relationship with high net worth customers have remained strong.

- **Interest spread** was at 2.48 percent, a decrease from 2.92 percent in the end of the previous year. Yield on earning assets increased in line with policy rate to 5.81 percent, compared to 5.55 percent last year. Cost of fund increased from 2.63 percent to 3.33 percent, a result of uptrend market rate and high competition in deposit products for liquidity management to support the loan growth.

- **Non-performing loans management** was efficient and provision to total loans was at 0.40 percent similar to that of the previous year. This was a result of good NPL management and hire purchase Collective Approach provisioning method which was effective since the 1st quarter of 2012. TBANK and its subsidiaries' NPLs as of 31 December 2012 was 32,501 million baht, a decrease from 37,677 million baht last year. NPL correction was mainly done by TS AMC, a subsidiary of TBANK, resulting in the decline in NPL ratio from 5.58 percent last year to 4.10 percent.

- **Growth of non-interest income** was contributed by net insurance premium/life insurance premium income, banking fee, brokerage fee, and gains on properties foreclosed. Non-interest income ratio in 2012 was at 32.97 percent, an increase from 27.93 percent. Non-interest income to average assets ratio-illustrating an improvement of non-interest income with lessened impact from interest spread-increased from 1.09 percent to 1.28 percent.

- **Operating expenses control and management** was done under cost control policy. As a result, non-variable costs decreased while variable costs increased following the growing business volume. Cost to income ratio in 2012 was at 62.10 percent, comparing to 61.24 percent last year. Operating expenses to average asset was at 2.41 percent similar to that of the previous year.

- **Corporate income tax** of TBANK and its subsidiaries amounted to 2,223 million baht in 2012. Tax rate accounted for 20.86 percent, a decrease from 27.73 percent in the previous year.

- **Capital adequacy:** TBANK had total capital of 101,417 million baht, of which 61,546 million baht was Tier 1 capital and 39,871 million baht was Tier 2 capital. BIS ratio was at 13.99 percent, an increase from 13.72 percent in the previous year. This was partly due to 12,516 million baht of subordinate debentures which were issued to support capital adequacy under Basel III regulation and the profit from the first 6-month of 2012 operating results. Risk weighted assets increased by 9.14 percent, due mainly to the loan growth.

Net Interest Income

In 2012, TBANK and its subsidiaries' net interest income amounted to 24,118 million baht, a decrease of 298 million baht or 1.23 percent compared to the previous year. This was mainly a result from cost of fund pressure. Interest income was 49,653 million baht, an increase of 5,601 million baht or 12.72 percent. Interest expenses were 25,535 million baht, an increase of 5,899 million baht or 30.05 percent. Consequently, interest spread in 2012 was at 2.48 percent, a decrease from 2.92 percent in the previous year.

Non-interest Income

Non-interest income, including net fees and service income, net insurance premium/life insurance premium income, and other operating income, was 11,861 million baht, an increase of 2,396 million baht or 25.32 percent from the previous year. The details were as follows:

- **Net fees and service income**

TBANK and its subsidiaries had 4,121 million baht in net fees and service income, an increase of 500 million baht or 13.49 percent. This was a result of larger customer base and greater variety of financial products. Fees and service income amounted to 5,700 million baht, an increase of 690 million baht or 13.77 percent, while fees and service expenses were 1,488 million baht, an increase of 189 million baht or 14.58 percent.

- **Other operating income**

Other operating income includes gains on tradings and foreign exchange transactions, gains on investments, share of profit (loss) from investments in associated companies accounted for under equity method, dividend income, securities brokerage fees, insurance premium/life insurance premium income, and other income. In 2012, other operating income (net insurance expenses) was 7,649 million baht, an increase of 1,895 million baht or 32.93 percent. This was mainly due to net insurance premium/life insurance premium income which increased by 1,747 million baht. On the other hand, dividend income and gains on investments decreased by 260 million baht and 264 million baht respectively.

Operating Expenses

TBANK and its subsidiaries incurred 22,341 million baht in operating expense, an increase of 1,594 million baht or 7.68 percent. This was mainly due to personnel expenses and sale promotion expenses. Cost to income ratio in 2012 was at 62.10 percent, an increase from 61.24 percent. This was partly due to the impact from interest spread.

Impairment Loss of Loans and Debt Securities

In 2012, impairment loss of loans and debt securities expenses of TBANK and its subsidiaries amounted to 2,980 million baht, an increase of 476 million baht. Provision to total loans was at 0.40 percent similar to that of the previous year. Coverage ratio was at 74.21 percent and reserve to reserve requirement of the BOT was at 123.93 percent.

Financial Position of TBANK and Its Subsidiaries

(Unit: Million Baht)

Balance Sheet	31 December 2012	31 December 2011	Change	
			Increase/ (Decrease)	Percent
Assets				
Cash	15,181	16,006	(825)	(5.15)
Interbank and money market items-net	71,963	63,201	8,762	13.86
Investments-net	146,106	148,345	(2,239)	(1.51)
Net loans and accrued interest receivables	731,010	609,903	121,107	19.86
Properties foreclosed-net	6,461	6,762	(301)	(4.45)
Land, premises and equipment-net	8,292	8,759	(467)	(5.33)
Goodwill	15,750	15,750	0	0.00
Other assets	21,325	17,334	3,991	23.02
Total assets	1,016,088	886,060	130,028	14.67

As of 31 December 2012, TBANK and its subsidiaries had 1,016,088 million baht in total assets, an increase of 130,028 million baht or 14.67 percent from the end of 2011. This was mainly due to an increase of 121,107 million baht or 19.86 percent in net loans and accrued interest receivables. Portion of corporate and SME loans to retail loans was 67 percent to 33 percent.

(Unit: Million Baht)

Balance Sheet	31 December 2012	31 December 2011	Change	
			Increase/ (Decrease)	Percent
Liabilities and shareholders' equity				
Deposits	698,372	436,040	262,332	60.16
Interbank and money market items-net	87,777	60,151	27,626	45.93
Liability payable on demand	4,989	2,131	2,858	134.12
Debts issued and borrowings	78,149	254,297	(176,148)	(69.27)
Provisions	2,976	2,824	152	5.38
Insurance contract liabilities	39,632	36,154	3,478	9.62
Other liabilities	21,196	18,930	2,266	11.97
Total liabilities	933,091	810,527	122,564	15.12
Shareholders' equity	82,163	74,848	7,315	9.77
Non-controlling interest	834	685	149	21.75
Total liabilities and shareholders' equity	1,016,088	886,060	130,028	14.67

TBANK and its subsidiaries' total liabilities as of 31 December 2012 were 933,091 million baht, an increase of 122,564 million baht or 15.12 percent. This was mainly due to the following:

- Total deposit were 698,372 million baht, an increase of 262,332 million baht or 60.16 percent from the end of 2011. This was mainly due to an increase in fixed deposit. On the other hand, debts issued and borrowings decreased by 176,148 million baht or 69.27 percent from the end of 2011. This was a result of funding restructure and deposit acquisition through deposits products, such as ultra saving, short-term fixed deposits, 4-month, 5-month, 6-month, and 11-month fixed deposits. Funding was also sourced from short-term debentures and subordinated debentures (during the year, 12,516 million baht of 10-year subordinated debentures were issued at a rate of 4.70 percent). Deposits have been acquired from retail customers while the relationships with high net worth customers have remained strong. Total deposits and borrowings relied less on bills of exchange. Bills of exchange were 4,930 million baht, a decrease from 218,506 million baht at the end of the previous year.

- Interbank and money market items were 87,777 million baht, an increase of 27,626 million baht or 45.93 percent, which was a result of TBANK's liquidity management.

Shareholders' equity of TBANK and its subsidiaries as of 31 December 2012 was 82,613 million baht, an increase of 7,315 million baht or 9.77 percent from the end of 2011. The increase was mainly due to the net profit in 2012 performance. There was a dividend payout from 2011 performance at 0.35 baht per share, totaling to 1,930 million baht.

Capital Adequacy Ratio

As of 31 December 2012, TBANK had the total capital of 101,417 million baht, of which 61,546 million baht was Tier 1 capital and 39,871 million baht was Tier 2 capital. BIS ratio was at 13.99 percent, an increase from 13.72 percent in the previous year. Tier 1 capital was at 8.49 percent, a decrease from 9.28 percent in 2011. Tier 2 capital was at 5.50 percent, an increase from 4.44 percent in 2011. This was partly due to 12,516 million baht of subordinate debentures, which were issued to support capital adequacy under Basel III regulation and the profit from the first 6-month 2012 operating results. Risk weighted assets increased by 9.14 percent, due mainly to the loan growth.

BIS ratio is well over the BOT minimum regulated ratio of 8.50 percent. The details of capital adequacy were as follows:

Capital Adequacy Ratio

	31 December 2012		31 December 2011	
	Million Baht	Percent	Million Baht	Percent
Tier 1 capital	61,546	8.49	61,638	9.28
Total capital	101,417	13.99	91,093	13.72

Thanachart Securities Public Company Limited

The average daily trading of Thanachart Securities Public Company Limited (“TNS”) in 2012 was in the amount of 2,711 million baht, an increase from 2,267 million baht in the previous year, with the market share of 4.82 percent. The trading volume consisted of 66.36 percent of retail customers, 13.68 percent of foreign customers, and 19.96 percent of financial institution customers.

Net profit for the year ended 31 December 2012 was 458 million baht, an increase of 165 million baht or 56.14 percent from the previous year. Total income amounted to 1,645 million baht, an increase of 11.37 percent. Of the total income, 1,222 million baht was from brokerage fees; 152 million baht was from fees and service income; and 138 million baht was from interest income on margin loans. Interest expenses, fees and service expenses, and operating expenses were 1,075 million baht, an increase from the previous year, in line with growing business volume and increase in income.

As of 31 December 2012, TNS’s net liquid capital ratio was at 60.70 percent which was higher than the minimum requirement of 7.00 percent set by the Securities and Exchange Commissions (SEC).

Thanachart Fund Management Company Limited

As at the end of 2012, Thanachart Fund Management Company Limited (“TFUND”) had asset under management amounting to 119,691 million baht, an increase of 24,998 million baht or 26.40 percent from the end of 2011. Composition of asset under management was 83.62 percent mutual fund, 8.29 percent provident fund, and 8.09 percent private fund.

As for the performance in 2012, TFUND had its net profit of 141 million baht, an increase of 52 million baht or 58.43 percent from the previous year.

Thanachart Insurance Public Company Limited

Thanachart Insurance Public Company Limited (“TNI”) had its net profit for the year 2012 of 616 million baht, an increase of 180 million baht or 41.28 percent from the previous year. The key contributing factors were the growth in insurance premium income in all channels and the focus on profitable products while loss incurred and operating expenses were managed efficiently.

Thanachart Life Assurance Public Company Limited

For the year ended 31 December 2012, Thanachart Life Assurance Public Company Limited (“TLIFE”) had its net profit of 1,715 million baht, an increase of 945 million baht or 122.81 percent from the previous year. Insurance premium income grew from hire purchase customer base by 1,151 million baht or 66.16 percent; ordinary insurance increased by 1,887 million baht or 43.79 percent. As a result, net underwriting income increased from the previous year by 2,863 million baht or 40.49 percent. On the other hand, insurance expenses increased by 2,636 million baht or 40.71 percent from the previous year. As a result, underwriting profit

increased by 227 million baht or 38.03 percent from the previous year. Gains on investment increased by 874 million baht or 99.67 percent, due to its gains from disposal of investments.

TS Asset Management Company Limited

TS Asset Management Company Limited (“TS AMC”) has given a focus on debt restructuring, in alignment with the policy and business plan of Thanachart Group. As of 31 December 2012, TS AMC’s total assets amounted to 10,070 million baht. For the performance of the year 2012, TS AMC had its net profit of 1,718 million baht, an increase of 1,624 million baht from the previous year. This was the result of NPL management and continued debt restructuring. Income from debt restructuring and gains on properties foreclosed and other assets were 2,501 million baht and 192 million baht respectively while operating expenses were 177 million baht.

Ratchthani Leasing Public Company Limited

At the end of 2012, total assets of Ratchthani Leasing Public Company Limited (“THANI”) amounted to 19,209 million baht, an increase of 6,855 million baht or 55.49 percent from the end of 2011. This was due to continuous growth in hire purchase customers especially the truck hire purchase. Hire purchase loans amounted to 18,659 million baht, an increase of 6,607 million baht or 54.82 percent. This accounted for 97.13 percent of total assets. Total liabilities and shareholders’ equity were 16,705 million baht and 2,504 million baht respectively.

The net profit of the year 2012 was 489 million baht, an increase of 284 million baht or 138.86 percent from the previous year. Total income amounted to 1,583 million baht, an increase of 462 million baht or 41.24 percent, due to continuous growth of hire purchase loans especially truck hire purchase. Interest expenses were 673 million baht, an increase of 134 million baht or 24.81 percent, mainly due to an increase in additional low cost of borrowings to support business growth which resulted in a decrease in cost of fund. Impairment loss of loans was 81 million baht, a decrease of 45 million baht or 35.57 percent, due to the impact from flooding in Bangkok and its vicinities in the last quarter of the previous year.

NFS Asset Management Company Limited

For the year 2012, the net profit of NFS Asset Management Company Limited (“NFS AMC”) amounted to 460 million baht, an increase of 14 million baht or 3.14 percent from 2011. Of the total income, the income from debt restructuring was 409 million baht, an increase of 189 million baht from 2011; the reversal of allowance for impairment loss of loans amounted to 59 million baht; the gains on properties foreclosed amounted to 170 million baht; and reversal of impairment loss of properties foreclosed amounted to 16 million baht. On the other hand, operating expenses and interest expenses were 79 million baht and 27 million baht respectively.

MAX Asset Management Company Limited

For the year 2012, MAX Asset Management Company Limited (“MAX AMC”) had its net profit of 280 million baht, an increase of 160 million baht or 133.33 percent from 2011. The income from loans totaled to 29 million baht and gains on properties foreclosed were 323 million baht, due mainly to the sale of its properties which were sizable lands with high value. The operating expenses recorded at 27 million baht.