

Your Global Partner, Your Reliable Bank



Industrial and Commercial Bank of China (Thai) Public Company Limited  
Annual Report 2013

ICBC  中国工商银行 (泰国)  
ธนาคารไอซีบีซี (ไทย)

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## Financial Highlights



	2013	2012	2011
<b>Consolidated</b>			
<b>Financial position (million baht)</b>			
Loans to customers net of deferred revenue	137,943	106,504	67,552
Allowance for doubtful accounts and revaluation on debt restructuring	3,417	2,107	1,209
Non-performing loans	2,746	2,273	1,917
Total assets	176,714	129,614	91,011
Deposits, interbank and money market items and borrowings	156,938	111,710	73,776
Liabilities	3,592	2,644	2,652
Shareholders' equity	16,184	15,260	14,583
<b>Performance results (million baht)</b>			
Net interest income	4,147	3,162	2,715
Net fee and service income	396	368	232
Other operating incomes	691	481	604
Other operating expenses	(1,776)	(1,652)	(1,424)
Profit from operation before bad debts, doubtful accounts and impairment losses, including properties foreclosed	3,458	2,359	2,127
Bad debts, doubtful accounts and impairment losses, including properties foreclosed	(2,375)	(1,672)	(1,020)
Reversal other provisions for TAMC	177	-	-
Profit from operation before income taxes	1,260	687	1,107
Income taxes	(246)	(174)	(400)
Profit for the years	1,014	513	707
<b>Financial ratio (%)</b>			
Return on average assets (ROA)	0.66	0.47	0.86
Return on average equity (ROE)	6.45	3.44	4.99
Capital adequacy ratio (the Bank only)	13.67	14.23	17.52
Basic earnings per share (baht)	0.64	0.32	0.44
Book value per share (baht)	10.18	9.59	9.17

Build



**Together**  
We Build the Future

## Message from the Chairman

Dear All Shareholders,

2013 proved to be yet another challenging year for Thailand, a year in which Thailand faced many obstacles from factors both within and outside the country. The external factors that impacted Thailand's economic growth were such as the tightening of the monetary policy in China in order to prevent its economy from overheating and control the growth to be at an appropriate level as well as the slow economic expansion in the USA, Japan and Europe resulting in the value of export of Thailand reducing slightly in 2013. Moreover, the QE Tapering Program of the USA in the second half of the year resulted in a high volatility in the money market and the exchange rates. On the domestic side, an important factor that negatively impacted the economy was tax refund for the first car owner scheme which created false demands in the car market in 2012, after the scheme ended, the car sales in Thailand in 2013 plummeted. Furthermore, the scheme also increased the national household debt pushing the growth of the overall domestic consumption in 2013 down to 1.0%. For the second half of 2013, Thailand endured a political turmoil which affected the consumers and investors' confidence as well as the slowdown in the government spending and investment, especially towards the end of the year. As a result, Thailand's growth potential in 2013 ended the year with a 2.9% growth, much lower than the growth in 2012.

However, contrary to the slow growth of the country in 2013, the Bank ended the year with a solid performance. The 2013 consolidated profit of the Bank was Baht 1,014 million or an impressive increase of 98% while the total assets grew 36% due mainly to the increase in lending from lending to domestic businesses, international business especially Sino-Thai businesses and leasing portfolio through the Bank's subsidiary, ICBC (Thai) Leasing Company Limited. At the same time, the Bank continued to place much importance on its asset management with prudent management for its operations, hence, the reduction in the net NPLs to total loans

ratio from 1.32% at the end of December 2012 to 0.89% at the end of 2013.

The Bank's BIS ratio at the end of 2013 was 13.67%, significantly higher than the 8.5% minimum ratio required by the BOT. Moreover, the Bank's Fitch Ratings at the highest attainable rating of AAA (tha) for the second consecutive year is testament to the Bank's strong financial position.

On the Bank's product development and services, during the year, the Bank expanded its services, developed its online service channels, expanded its branches as well as launched various SME financial products. As a bank within the ICBC Group, the Bank remains the leader in CNY services especially for financial transactions between Thailand and China.

Looking forward to 2014, I believe Thailand's economy will continue to face many obstacles and challenges as she did in 2013 including a slow-down in the economy, instability in the political situation and uncertainty in the global economic growth especially of the world's biggest economies like the USA, China, EU and Japan. These factors may hinder the ability of commercial banks in Thailand to grow at the same impressive rates as the previous year. In addition, the year 2014 will also be the year in which Thai commercial banks need to be prepared and ready for the opening of the ASEAN Economic Community (AEC) in 2015. This opening of the AEC means that the ASEAN region will become a single market with free flows of goods, services, investments, skilled labor and capitals within the community. With a population of 660 million, the market of each member nation will be greatly expanded. Therefore, the Bank as a subsidiary of the ICBC Group with an extensive ASEAN-wide network, is ready to be the intermediary bridging financial cooperation within the region and support Thailand's growth in ASEAN.

I, as Chairman of ICBC (Thai), would like to offer my sincere appreciation to our shareholders, stakeholders and patrons for entrusting in our products and services and look forward to your continuous support for another year of success in 2014. On behalf of the Bank's directors, management and staff, I affirm that the Bank and its subsidiary will continue to put our best effort for the Bank's sustainable growth by focusing on product and service innovation to increase our competitiveness so that the Bank and its subsidiary could actively partake in Thailand's economic and financial development.

Thank you



**Dr. Ye Hu**

Chairman of the Board of Directors and  
Chairman of the Executive Committee



## The Board of Directors



### 1. Dr. Ye Hu

Age 50 years

#### Position

Chairman of the Board of Directors • Authorized Director • Chairman of the Executive Committee

#### Education

PhD, Economics, Public Finance, Southwestern University of Finance and Economics, P.R. China

#### Experience

July 2012-Present Chairman of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2011 Vice President, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2002-2005 President Assistant, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch • 2000-2002 Director, Financial Accounting Department, Industrial and Commercial Bank of China Limited, Guangdong Provincial Branch

#### Shareholding (%)

None



### 2. Dr. Zhigang Li

Age 40 years

#### Position

Chief Executive Officer • Authorized Director • Chairman of the Management Committee • Member of the Executive Committee

#### Education

PhD, Economics, Renmin University, P.R. China

#### Experience

July 2013-Present Chief Executive Officer/Chairman of the Management Committee/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-2013 Deputy General Manager of Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2008-2011 Deputy CEO of ICBC (Macau) • 2007-2008 Division Head, Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2004-2006 Division Head, Reform and IPO office, Industrial and Commercial Bank of China Limited, H.O. • 2003-2004 Senior Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O. • 2002-2003 Manager of Credit Risk Management Dept. and Market Risk Management Dept., ICBC Asia (Hong Kong)

#### Shareholding (%)

None



### 3. Mr. Chanchai Leetavorn

Age 86 years

**Position**

Director • Honorary Consultant to the Chairman

**Education**

BS, Banking and Finance, University of Illinois, USA

**Experience**

2010–Present Director/Honorary Consultant to the Chairman, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1984–2010 Chairman of the Board of Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006–2013 Chairman, ICBC (Thai) Leasing Company Limited • 2006–2009 Chairman, ACL Securities Company Limited • 1978–Present Director, Siam Piwat Company Limited • 2002–Present Director, Siam Piwat Holding Company Limited • 1996–Present Director, Siam Speciality Company Limited • 1990–Present Director, Minebea Aviation Company Limited • 1984–Present Chairman, Bangkok BTMU Company Limited

**Shareholding (%)**

None



### 4. Dr. Kosol Petchsuwan

Age 75 years

**Position**

Independent Director • Chairman of the Audit Committee

**Education**

PhD, Engineering, Imperial College London, UK

**Experience**

2004–Present Independent Director/Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011–Present Chairman of the Corporate Governance Committee, TRUE Corporation Public Company Limited • 1999–Present Independent Director/Member of the Audit Committee, TRUE Corporation Public Company Limited • 2001–2009 Director, Mahidol Wittayanusorn School (Public Organization) • 2001–2005 President, the Telecommunications Association of Thailand under the Royal Patronage • 2000–2001 Chairman, Aeronautical Radio of Thailand Limited • 1986–1992 President, King Mongkut's Institute of Technology Ladkrabang

**Shareholding (%)**

None



### 5. Dr. Prasit Damrongchai

Age 73 years

**Position**

Independent Director • Chairman of the Nomination, Compensation and Corporate Governance Committee

**Education**

PhD, Political Science, University of Oklahoma, USA  
• National Defence College (Class 388)

**Experience**

2006–Present Independent Director/Chairman of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006–2007 Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012–Present Independent Director/Vice Chairman/Chairman of the Audit Committee, Dhipaya Insurance Plc. • 2004–2011 Director, Dhipaya Insurance Plc. • 2006–2010 Director, IRPC Oil Co., Ltd. • 2006–2010 Director, Thai ABS Co., Ltd. • 2006–2010 Director, IRPC Polyol Co., Ltd. • 2005–2008 Chairman, Wyncoast Industrial Park Plc. • 2005–2006 Director/Executive Director, Thai Airways International Plc. • 2004–2006 Director/Executive Director, Krung Thai Bank Plc.

**Shareholding (%)**

None



### 6. Dr. You Ye Age 42 years

#### Position

Authorized Director • Member of the Executive Committee

#### Education

PhD, Business Administration, Accounting, Renmin University of China

#### Experience

April 2013-Present Director/ Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Chinese Business Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009-March 2013 Deputy Head (GM Rank) of ICBC Credit Card Call Centre (Shijiazhuang) • 2008-2009 Deputy Head of General Administration Department & Head of Brand Management Office, ICBC Card Centre • 2008-2008 Deputy Head of Project Department, ICBC Card Centre • 2006-2008 Deputy Head of Sales Department, ICBC Card Centre • 2005-2006 Marketing Department, ICBC Card Centre • 1999-2002 Vice President Marketing & Sales, Beijing EgoChina E-commerce Ltd. • 1996-1999 Sales Controller for North Region, Unilever Wall's (China) Ltd. • 1994-1996 Trade Representative, China National Electronic Materials Corporation

#### Shareholding (%)

None



### 7. Mr. Guohui Song Age 46 years

#### Position

Authorized Director • Member of the Executive Committee

#### Education

MA, Economics, Southwestern University of Finance and Economics, P.R. China

#### Experience

2010-Present Director/Member of the Executive Committee/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003-2007 Head of Financial Control & IT, ICBC (London)

#### Shareholding (%)

None



### 8. Mr. Jiqian Cui Age 60 years

#### Position

Director • Member of the Nomination, Compensation and Corporate Governance Committee

#### Education

Bachelor, Economic Management, Party School of the Jilin Provincial Committee of C.P.C.

#### Experience

October 2013-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2013-Present Accredited Directors, Industrial and Commercial Bank of China Limited • June 2003-June 2013 President, ICBC Seoul Branch • February 2001-June 2003 Vice President, ICBC Heilongjiang Branch

#### Shareholding (%)

None



**9. Dr. Li Lan** Age 50 years

**Position**

Director • Member of the Nomination, Compensation and Corporate Governance Committee

**Education**

PhD, Economics, Tianjin University of Finance Economics, P.R. China

**Experience**

2011-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011-Present Full-time Overseas Institutional Directors, Industrial and Commercial Bank of China Limited • 2010-2011 Vice Head of Internal Auditing, Industrial and Commercial Bank of China Limited • 2005-2010 Deputy Head of Tianjin Regional Headquarters, Industrial and Commercial Bank of China Limited

**Shareholding (%)**

None



**10. Mr. Plengsakdi Prakaspesat**

Age 71 years

**Position**

Independent Director • Member of the Audit Committee

**Education**

Honorary Doctorate Degree, Ramkhamhaeng University • Honorary Doctorate Degree, Lampang Rajabhat University • Commerce, Ross College (Dublin), Ireland • National Defence College (Class 311)

**Experience**

1978-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2010 Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1999-Present Independent Director, Bangkok Insurance Plc. • 2005-Present Chairman of the Audit Committee, Bangkok Insurance Plc. • 1997-Present Senior Advisor, Thai Central Chemical Plc. • 2001-Present Advisor, United Flour Mill Plc.

**Shareholding (%)**

2,374 ordinary shares 0.00015%



**11. Ms. Ladda Siriwattanakosol**

Age 57 years

**Position**

Independent Director • Member of the Audit Committee

**Education**

MBA, Thammasart University

**Experience**

2007-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Chief of Credit Officer/Executive Vice President, Chief of Credit Corporate Strategy Group, TMB Bank Plc.

**Shareholding (%)**

None

## Senior Executives



### 1. Dr. Zhigang Li

Age 40 years

#### Position

Chief Executive Officer • Chairman of the Management Committee • Member of the Executive Committee

#### Education

PhD, Economics, Renmin University, P.R. China

#### Experience

July 2013–Present Chief Executive Officer/Chairman of the Management Committee/Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2011–2013 Deputy General Manager of Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2008–2011 Deputy CEO of ICBC (Macau) • 2007–2008 Division Head, Corporate Strategy and IR Dept., Industrial and Commercial Bank of China Limited, H.O. • 2004–2006 Division Head, Reform and IPO office, Industrial and Commercial Bank of China Limited, H.O. • 2003–2004 Senior Manager of Risk Management Dept., Industrial and Commercial Bank of China Limited, H.O. • 2002–2003 Manager of Credit Risk Management Dept. and Market Risk Management Dept., ICBC Asia (Hong Kong)

#### Shareholding (%)

None



### 2. Dr. You Ye

Age 42 years

#### Position

Senior Executive Vice President, Branch Banking & Chinese Business Group • Member of the Executive Committee

#### Education

PhD, Business Administration, Accounting, Renmin University of China

#### Experience

April 2013–Present Director/ Member of the Executive Committee/Senior Executive Vice President, Branch Banking & Chinese Business Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2009–March 2013 Deputy Head (GM Rank) of ICBC Credit Card Call Centre (Shijiazhuang) • 2008–2009 Deputy Head of General Administration Department & Head of Brand Management Office, ICBC Card Centre • 2008–2008 Deputy Head of Project Department, ICBC Card Centre • 2006–2008 Deputy Head of Sales Department, ICBC Card Centre • 2005–2006 Marketing Department, ICBC Card Centre • 1999–2002 Vice President Marketing & Sales, Beijing EgoChina E-commerce Ltd. • 1996–1999 Sales Controller for North Region, Unilever Wall's (China) Ltd. • 1994–1996 Trade Representative, China National Electronic Materials Corporation

#### Shareholding (%)

None



### 3. Mr. Guohui Song

Age 46 years

#### Position

Senior Executive Vice President, Supporting Group  
• Member of the Executive Committee

#### Education

MA, Economics, Southwestern University of Finance and Economics, P.R. China

#### Experience

2010–Present Director/Member of the Executive Committee/Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007–2010 Senior Manager, Industrial and Commercial Bank of China Limited • 2003–2007 Head of Financial Control & IT, ICBC (London)

#### Shareholding (%)

None



### 4. Mr. Apichart Kasemkulsiri

Age 47 years

#### Position

Senior Executive Vice President, Treasury and Banking Operations Group • Member of the Executive Committee

#### Education

MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

#### Experience

December 2012–Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • September 2012–Present Senior Executive Vice President, Treasury and Banking Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010–September 2012 Senior Executive Vice President, Treasury and Branch Operations Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007–2010 Senior Executive Vice President, Supporting Group, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005–2007 Executive Vice President, Treasury Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005–Present Director, ICBC (Thai) Leasing Company Limited • 2007–Present Director, Sri Sam Ank Suppliers Company Limited • 2004–Present Director, T.Krung Thai Industry Public Company Limited

#### Shareholding (%)

None



### 5. Ms. Suree Wipatakanok

Age 50 years

#### Position

Executive Vice President, Corporate Banking Division  
• Member of the Executive Committee

#### Education

BA, Business Administration, Ramkhamhaeng University

#### Experience

December 2012–Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007–Present Executive Vice President, Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006–2007 Executive Vice President, Corporate Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004–2006 Senior Vice President, Credit & Marketing–Medium Enterprise Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2000–2004 Vice President/ Head of Commercial Sales Department, Bank of Asia Public Company Limited • 2006–August 2012 Director, ICBC (Thai) Leasing Company Limited

#### Shareholding (%)

None



### 6. Mr. Chaiwat Tancheewawong

Age 55 years

#### Position

Executive Vice President, Branch Banking Division • Member of the Executive Committee

#### Education

MBA, Chulalongkorn University

#### Experience

December 2012-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-Present Executive Vice President, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, Branch Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2000-2005 Head of Sales, SME Banking Department, Standard Chartered Bank Plc.

#### Shareholding (%)

None



### 7. Dr. Wei Huang

Age 42 years

#### Position

Executive Vice President, Chinese Business Center Division

#### Education

PhD, Economics Jiang Xi Financial and Economic College, P.R. China

#### Experience

February 2012-Present Executive Vice President, Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2011 Deputy Head of Credit Management Division, Industrial and Commercial Bank of China Limited, Jiangxi Branch • 2005-2007 Deputy Head of International Banking Division, Industrial and Commercial Bank of China Limited, Jiangxi Branch

#### Shareholding (%)

None



### 8. Ms. Kanchana Vongratanakulthorn

Age 58 years

#### Position

Executive Vice President, Recovery & Credit Card Management Division

#### Education

BBA, Sukhothai Thammathirat Open University

#### Experience

December 2013-Present Executive Vice President, Recovery & Credit Card Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012-December 2013 Executive Vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-February 2012 Executive Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Recovery Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2006 Senior Vice President, Asset Management Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

#### Shareholding (%)

None



### 9. Ms. Orapin Sreesangkom

Age 50 years

#### Position

Executive Vice President, Corporate Secretary & Legal Division

#### Education

LL.M., Harvard Law School, USA • LL.M. (International Banking Law), Boston University School of Law, USA

#### Experience

2007-Present Executive Vice President, Corporate Secretary & Legal Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, General Secretariat Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2005 Vice President, Legal and Compliance Department, ACL Securities Company Limited • 2000-2004 Vice President, Capital Markets Legal, SG Asia Credit Securities., Ltd. • 1997-2000 Consultant, Linklaters (Thailand) Limited • 1988-1997 Associate, International Legal Counsellors Thailand Limited

#### Shareholding (%)

None



### 10. Mr. Som Pisarnsopon

Age 49 years

#### Position

Executive Vice President, Finance & Strategy Division

#### Education

MS, Industrial Administration, Carnegie-Mellon University, USA

#### Experience

2008-Present Executive Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2008 Senior Vice President, Finance & Strategy Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Strategy and Planning Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-Present Director, ICBC (Thai) Leasing Company Limited • 2008-2009 Director, ACL Securities Company Limited • 2004-2005 Vice President, Head of Retail Deposit and Fee Product Management Department, Kasikorn Bank Plc.

#### Shareholding (%)

None



### 11. Ms. Sasiwadee Somboonthum

Age 54 years

#### Position

Executive Vice President, Banking Operations Division

#### Education

MBA, Thammasart University • MS, Information Systems, PACE University, USA

#### Experience

September 2012-Present Executive Vice President, Banking Operations Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-September 2012 Executive Vice President, Branch Operations & Organization Development Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2008 Senior Vice President, Branch Operations & Organization Development Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Senior Vice President, Information Systems & Organization Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2003-2006 First Vice President, Information Systems & Organization Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

#### Shareholding (%)

None



### 12. Mr. Wisit Ausawalaitong

Age 46 years

**Position**

Executive Vice President, Information Technology Division

**Education**

MS, Computer Science, Asian Institute of Technology

**Experience**

2007-Present Executive Vice President, Information Technology Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 Senior Vice President, Information Technology Service Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 1994-2007 Principal Consultant, Temenos (Thailand) Company Limited

**Shareholding (%)**

None



### 13. Mr. Wasun Muangmee

Age 55 years

**Position**

Executive Vice President, Risk Management Division

**Education**

BA, Education, Chulalongkorn University

**Experience**

October 2013-Present Executive Vice President, Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2010-October 2013 Senior Vice President, Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2010 First Vice President, Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Vice President, Credit Risk-Retail Banking & Branch Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

**Shareholding (%)**

None



### 14. Mr. Yongmin Tang

Age 40 years

**Position**

Executive Vice President, Deputy Head of Division, Branch Banking Division

**Education**

BA, Finance and Banking, Shanxi Institute of Finance and Economics, P.R. China

**Experience**

February 2012-Present Executive Vice President, Deputy Head of Division, Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2008-2011 Deputy General Manager, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • 2005-2007 Division Head, Personal Banking Business Department, Industrial and Commercial Bank of China Limited, Anhui Regional Headquarters • August 2012-Present Director, ICBC (Thai) Leasing Company Limited

**Shareholding (%)**

None

## Executive Officers

No.	Name	Position	Division/Department
1	Mr. Senut Chavana	Senior Vice President	Legal Department
2	Mr. Sayarm Lohsawat	Senior Vice President	Corporate Banking 2 Department
3	Mr. Thanin Wanasuthanon	Senior Vice President	Chinese Business Department
4	Mrs. Araya Watanakun	Senior Vice President	Funding (Back Office) Department
5	Mrs. Saowanee Soonthornswad	Senior Vice President	Branch Operations Management Department
6	Mrs. Narumol Meksingvee	Senior Vice President	Funding (Front Office) Department
7	Ms. Kulnida Cheausuwan	Senior Vice President	Money Market & Investment Portfolio Department
8	Ms. Suwimol Itthiputh	Senior Vice President	Foreign Exchange & Financial Institution Department
9	Mr. Suraphol Thipvilai	Senior Vice President	Credit Risk Department
10	Ms. Chuenchit Trakarnratti	First Vice President	Internal Audit Department
11	Mr. Gan Huang	First Vice President	Corporate Secretary Department
12	Ms. Samerjai Charoensri	First Vice President	Compliance Department
13	Ms. Linda Sirivibulya	First Vice President	Corporate Banking 1 Department
14	Mr. Vatcharasit Verayangkura	First Vice President	Corporate Banking 3 Department
15	Mrs. Rachanoke Vichitlekarn	First Vice President	Corporate Banking 4 Department
16	Ms. Wanpen Yongchayanuntakul	First Vice President	Branch Banking 1 Department
17	Mr. Supakit Olarachin	First Vice President	Branch Banking 3 Department
18	Ms. Naiyana Noibanchong	First Vice President	System & Product Innovation Department
19	Mrs. Sirinan Kanchanakom	First Vice President	Credit Administration Department
20	Mr. Wijit Sriwijitchok	First Vice President	Foreign Exchange & Treasury (Back Office) Department
21	Mr. Parames Tonnarning	First Vice President	General Administration Department
22	Mr. Supakij Thepworawuti	First Vice President	Collateral Appraisal Department
23	Mrs. Patsamon Sanghiran	First Vice President	Branding & Communications Department
24	Mr. Seksan Chunsereechai	First Vice President	Portfolio Risk Management Department
25	Mr. Zhuhua Chen	First Vice President	Risk Control Policy Establishment & Management Department
26	Mr. Xing Zan	First Vice President	Information Technology Governance & Security Department
27	Mr. Liyong Zhang	First Vice President	Financial Control Department
28	Mrs. Suntaree Thummaratchapimon	First Vice President	Accounting Department
29	Mr. Chaveng Mahapornprajuck	First Vice President	Trade Finance Business Department
30	Mr. Chairat Kongkreingkrai	Vice President	Asset Management Department
31	Mr. Ming Xu	Vice President	Chinese Commercial Banking Department
32	Mr. Permsak Tananon	Vice President	Information Technology Operation & Services Department

Create



**Together**  
We Create Opportunities

## Description of Business



Initially founded as a commercial company, the Bank was first incorporated on 26 August 1969, later obtaining a license to undertake finance and securities business from the Ministry of Finance on 26 October 1973 and was listed on the Stock Exchange of Thailand (SET) in 1978. On 23 December 2005, the Bank was granted a commercial bank license from the Ministry of Commerce.

On 21 April 2010, the Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the world in terms of market capitalization, acquired 97.24% of the total issued shares of the Bank from a voluntary tender offer

of all shares traded on the SET and changed the name of the Bank to “Industrial and Commercial Bank of China (Thai) Public Company Limited” becoming a part of the ICBC Group. On 19 March 2011, the Bank delisted from the SET. At present, the ICBC holds 97.70% of the total shares sold of the Bank.

As a fully licensed commercial bank, the Bank aims to be on the forefront of commercial banks in Thailand on international banking service. Being a part of the ICBC Group means customers of the Bank are able to fully utilize the services provided by the Group’s network which is growing at a rapid pace in China as well as around the world. As of June 2013,

ICBC Group had a total of 17,613 branches and service centers in China and 388 additional branches in 39 countries around the world. Furthermore, ICBC also has more than 1,771 correspondent banks across the globe.

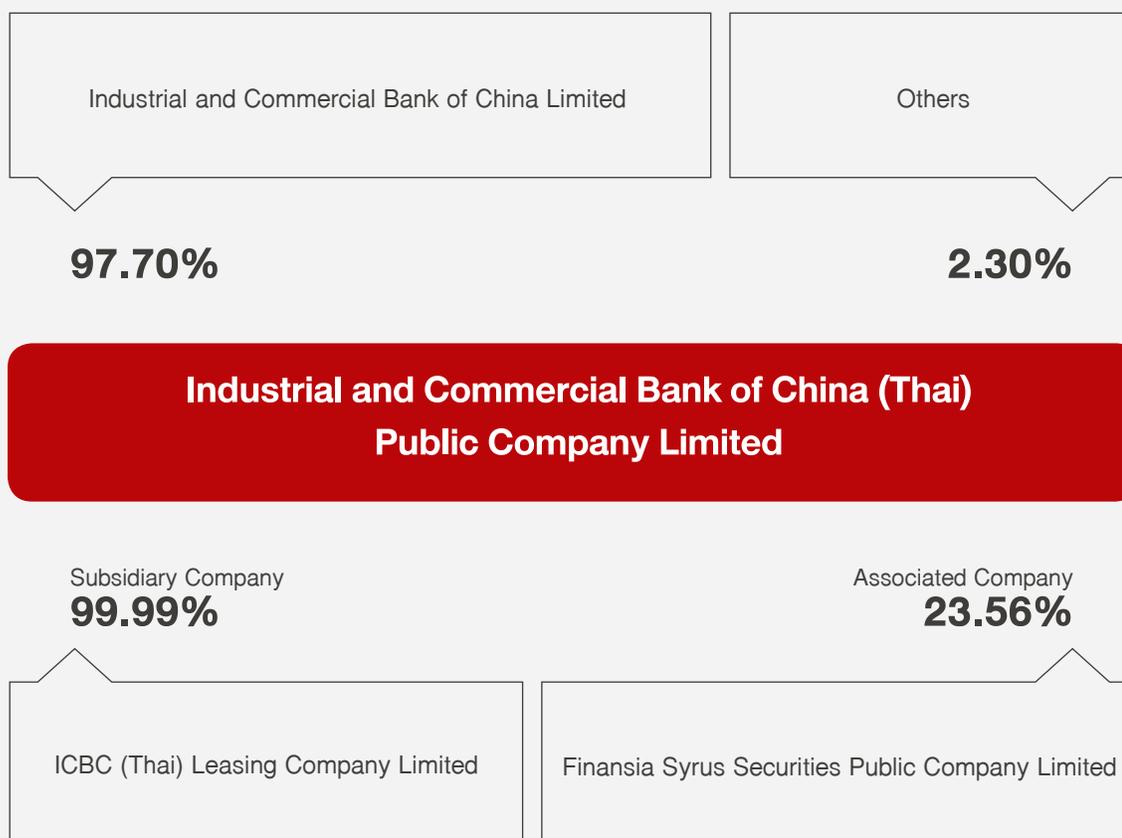
At present, the Bank has one subsidiary, ICBC (Thai) Leasing Company Limited, which the Bank owns 99.99%, the company offers leasing and hire purchase services. Moreover, the Bank

has one associated company, Finansia Syrus Securities Public Company Limited, the company which the Bank owns a 23.56% stake, offers securities services.

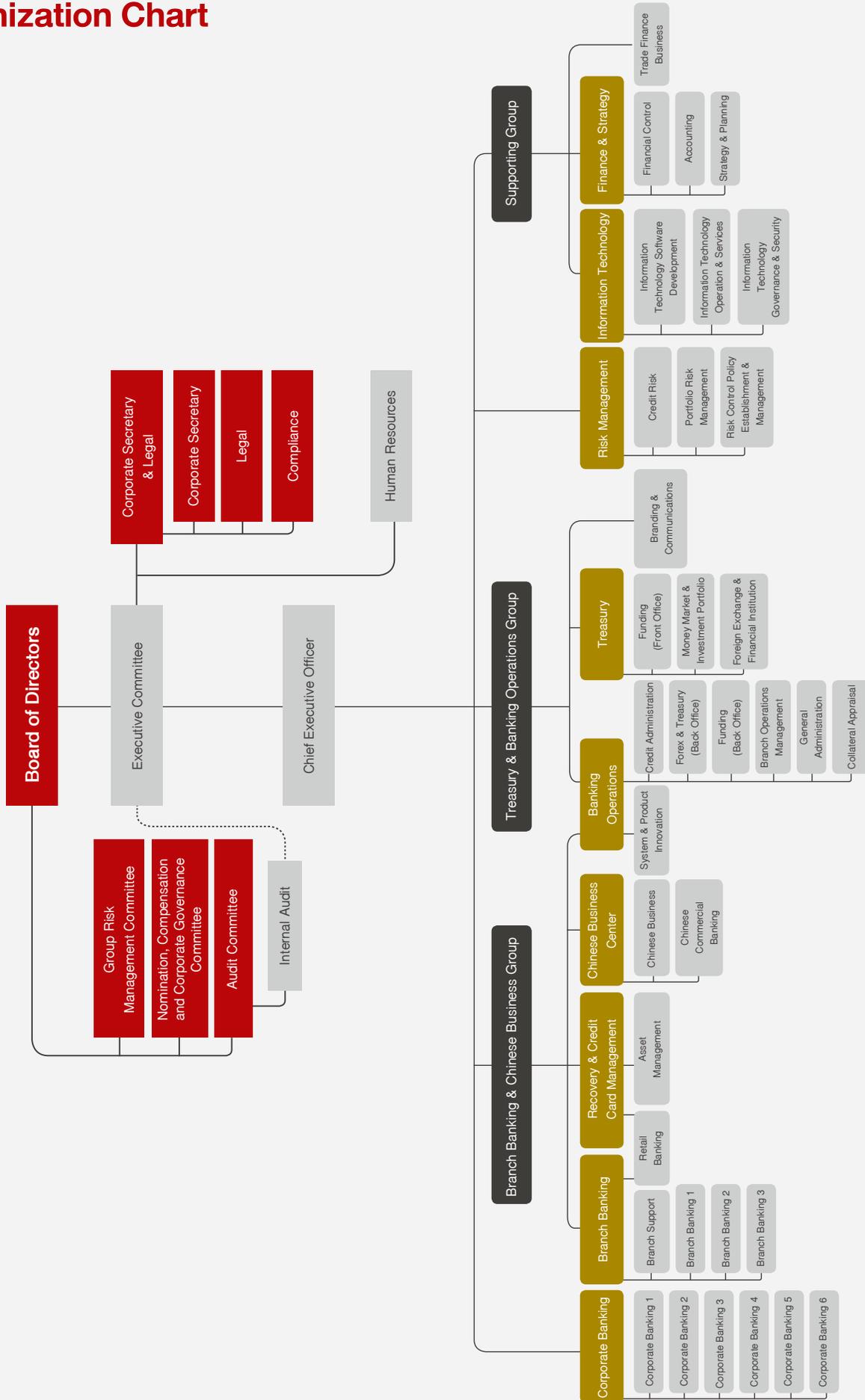
The Bank is proud to be rated by Fitch Ratings at 'AAA(thai)' for National Long-term rating and 'F1+(tha)' for National Short-term rating with Stable Outlook for a second consecutive year.

### Shareholders' structure of ICBC (Thai) Group

(as of 31 December 2013)



# Organization Chart



## Banking Products and Services



ICBC (Thai) is ready to serve the needs of both personal and corporate customers with a wide range of financial products and services. Together with the support from ICBC, the largest commercial bank in China with extensive network in Mainland China and worldwide, the Bank is well-equipped to provide world class services, global connection, and great convenience to our valued customers.

### Deposits

The Bank's deposits accounts are available to various types of customers such as individual persons, juristic entities, non-profit organizations, government agencies, financial institutions, etc. The followings are the types of deposits provided by ICBC (Thai):

1. **Normal Savings Account:** Allows an easy deposits and withdrawals with unlimited amount of money and number of transactions.
2. **Hi-Speed Savings Account:** Enables personal and corporate customers to increase their earnings with an interest rate higher than normal savings accounts while giving high liquidity without limits on the amount of money or number of deposits and withdrawals.
3. **Gold Savings Account:** Offers premium interest rates comparable to fixed deposits with high liquidity similar to savings accounts.

4. **Normal Current Account:** A non-interest bearing account that helps enhance business flexibility through the use of cheque payable for an unlimited amount of funds and allows customers to review their transactions from the monthly statement.
5. **Super Cheque Account:** A current account with attractive interest at a rate higher than normal savings accounts, with the interest calculated on a daily basis and transferred into customers' account in June and December of each year.
6. **Foreign Currency Deposit Account:** Offers two types of accounts: savings account and fixed deposit account of 1 month to 12 months, available in 9 major currencies, which are USD, EUR, GBP, JPY, SGD, HKD, NZD, AUD, and CNY.



7. **Fixed Deposit with Passbook:** A fixed deposit account that offers interest based on deposit period, aiming to give a higher fixed rate of return with terms ranging from 3 to 24 months. Customers will receive a passbook when opening the account and able to use the same passbook for various deposit terms.
8. **Deposit Receipts:** An alternative for customers to obtain high returns from attractive interest rates higher than normal savings accounts. Customers can choose their preferred deposit terms, ranging from on call to fixed deposit of 1 to 48 months.

## Bank Cards

Committed to continuously develop financial products and services to best cater to personal customers' needs, the Bank optimizes convenience for its customers when conducting many forms of transactions domestically and internationally, whether it is cash deposit, withdrawal, transfer, remittance, etc.

1. **ICBC Debit Card:** UnionPay Dual Currency Debit Card and VISA Single Currency Debit Card can be used for cash deposit, withdrawal, transfer, remittance and purchase in Thailand as well as other countries around the world.
  - **UnionPay Dual Currency Debit Card:** Provides ease and convenience for customers to deposit CNY or THB as preferred. To mitigate the risk of currency fluctuation, customers are able to deposit CNY at any of our branches in Thailand and withdraw CNY from any ATM in Mainland China. Transactions conducted in Mainland China are settled in CNY. In case that the CNY balance in a designated account is insufficient, the THB funds will be automatically converted into CNY. Likewise, all transactions conducted in Thailand or other countries are settled in THB. If the THB balance in a designated account is insufficient, the CNY fund will be automatically converted into THB. In addition, customers can use the card to purchase goods and services at any POS with "UnionPay" sign or withdraw cash from any ATM with "UnionPay" sign in 142 countries worldwide.
  - **VISA Single Currency Debit Card:** Customers can use the card to withdraw cash from any ATM with "VISA" sign or purchase goods and services at any POS with "VISA" sign across the globe. All transactions conducted anywhere in the world are settled in THB.



2. **ICBC Credit Card:** UnionPay Dual Currency Credit Card and VISA Single Currency Credit Card can be used for various functions such as purchase, transfer, remittance and cash withdrawal. The cards offer interest-free periods of up to 56 days. They are widely accepted in Thailand as well as other countries and regions across the globe. Moreover, customers can enjoy special privileges offered by merchants worldwide.
  - **UnionPay Dual Currency Credit Card:** Offers the convenience of two currencies, CNY and THB, in one card. All transactions conducted in Mainland China are settled in CNY to reduce foreign exchange risk.
  - **VISA Single Currency Credit Card:** Accepted by over 10 million merchants in cooperation with VISA and 2 million ATMs globally. All transactions are settled in THB.

## Channels

The Bank offers a wide selection of channels for customers to conduct transactions and manage their finance easily as follows:

1. **ICBC Corporate Internet Banking:** Offers customers an internet channel to conduct most of their daily businesses at their offices easily and safely with the use of USB Shield and login password for account management, fund transfer, remittance, batch fund transfer, and payroll service.
2. **ICBC Personal Internet Banking:** Allows personal customers to engage in various transactions on the internet related to account management, fixed deposit, fund transfers, remittance, message alert service, credit card service, and many other services which are simple and safe to use from anywhere, at any time.

3. **ICBC E-zy Card:** Personal customers can deposit cash and/or cheque into their ICBC (Thai) accounts through Bill Payment service at any counter of the Bank's partner banks (Bangkok Bank and Kasikornthai Bank) nationwide free of charge.

## Cash Management

ICBC (Thai) offers Cash Management services to serve the customer's needs in managing cash more effectively with great convenience, speed, and security as follows:

1. **Auto Sweeping:** An automatic funds transfer service from the customers' savings accounts to current accounts when the funds in designated current accounts are insufficient.
2. **ICBC Balance Change Alert:** Keeps customers informed of every transaction of their accounts anytime, anywhere via SMS and/or E-mail. The service is applicable to all types of savings accounts and current accounts, which is available in multiple languages: Thai, Chinese, and English.
3. **Payroll Service:** Available for businesses of all sizes to process transactions regarding payroll without having to visit the Bank's branches. Customers can determine salary payment dates and transfer money to their employees' accounts from anywhere. Customers can process the instruction of salary payment in CNY. The Bank's exchange rate will be used to deduct THB from the company's accounts and transfer THB to employees' accounts. Then, THB will be converted to CNY in employees' accounts.
4. **Direct Credit:** Enables customers to make payments for goods and services to multiple vendors nationwide simply with one instruction without having to visit the Bank. Customers can rest assured that the payment will be made as scheduled in which credit advices will be sent to customers ready to be forwarded to vendors.

## CNY Services

The Bank provides a complete range of CNY services to both personal and corporate customers along with the Bank's dedication to support trades, investments, and business transactions between Thailand and Mainland China through its convenient, fast and cost-effective services as follows:

1. **CNY Deposit Account:** Available for savings accounts and fixed deposit accounts to help enhance efficiency in managing CNY funds for the Bank's customers by minimizing the risk of CNY currency fluctuation while offering a competitive interest rate. Payment in CNY to Chinese counterparties, approved by the People's Bank of China, can also be made conveniently.
2. **Pre-fixed Remittance Service:** Reduces the risk from currency exchange fluctuation as the exchange rate of the transaction date will be used, thus, beneficiaries will receive the exact amount of funds sent in full without transfer fees. In case the beneficiary accounts are opened with ICBC China, funds can be received on the transfer day while transfers to accounts of other banks are also fast and convenient.
3. **CNY Banknote Service:** Provides broad CNY services under ICBC Group, the largest CNY business bank worldwide with an extensive branch network, especially in Mainland China. Customers are able to deposit or withdraw CNY banknotes with their CNY accounts, remit funds using CNY banknotes at all our branches or use our banknote exchange service which offers competitive rates.

## Lending

The Bank is ready to provide a complete range of commercial credit to all types of businesses, covering small, medium and large enterprises. We strive to support your business for smooth operation and sustainable growth. Moreover, the Bank offers lending products for personal customers to fuel any business' needs.

1. **Corporate Credit Services:** Offers credit solutions to businesses of all sizes to answer their various financial needs, increase liquidity, fund business expansion as well as investment, support capital restructuring and facilitate transactions of both domestic and international trades.
2. **ICBC (Thai) SME:** Provides personalized packages of lending products and services addressing each unique business need, including short-term loan, long-term loan, working capital, and international trade finance, etc.

3. **Oriented Property Financing for SME:** SME business owners looking for funds to support or expand their business can simply place their business asset as the collateral and able to secure credit lines of up to 100% of the collateral value.
4. **Financing Against Offshore Deposit:** Offshore deposits (in any currency) with any branch/subsidiary of ICBC Group can be pledged as collateral to secure credit lines of up to 95% of the pledged offshore deposit.
5. **Account Receivable Financing:** Increases liquidity for business owners who offer credit payment terms when products or services have been delivered and the owners are holding invoices/account receivables to be paid by a core enterprise, business owners can submit their account receivables to the Bank and turn them into cash to fuel their business. The credit line is up to 80% of the account receivables' value.
6. **Property for Cash:** Answers various financial needs by offering high credit lines of up to 70% of the collateral value with a maximum of THB 15 million. Customers can benefit from this multipurpose loan by using their own properties such as houses, land or buildings as collateral.

In order to provide various services to different groups of customers, the Bank offers diversified lending facilities to address all customers' requirements as follows:

1. **Working Capital Financing Facilities** are short-term loan facilities to support working capital requirement
  - Overdraft
  - Promissory Note
  - Short-term lending with tenor within one year
2. **Investment Facilities** with tenors of one year or more to support business expansion such as new machinery procurement, land purchase, factory expansion, new product launch and capital restructuring
  - Medium-term lending with tenor of one to three years
  - Long-term lending with tenor over three years
  - Project financing
  - Syndication loan



3. **Domestic and International Trade Finance Facilities** to support domestic trades, as well as export and import activities
  - Letter of Credit
  - Trust Receipt
  - Domestic Letter of Credit: DLC
  - Local Trust Receipt
  - Import Bills for Collection
  - Shipping Guarantee
  - Export Bills Negotiation/Purchase
  - Foreign Exchange Services (buy and sale of foreign currencies) and Hedging
4. **Aval and Guarantee**
  - Aval Acceptance on Promissory Notes or Bills of Exchange
  - Bid Bond
  - Performance Bond
  - Advance Payment Bond
  - Retention Bond
  - Maintenance Bond
  - Purchase Bond

## Trade Finance

The Bank offers a wide range of international trade finance services for export and import activities as well as international guarantee services for all types of businesses and industrial sectors through ICBC extensive global correspondent banking network, which ensures fast and efficient international trade transactions. The types of trade finance are as follows:

1. **Import Letter of Credit:** For importers who would like to open L/C to settle payments with suppliers, the Bank will open an L/C by the request of local importers. Once all documents received from the exporter's bank are verified without errors, the Bank will swiftly proceed for acceptance (or payment) to an overseas exporter via ICBC Group's worldwide network. Importers can choose from our rich variety of L/C upon requirements:
  - Transferable
  - Back-to-back
  - Sight payment
  - Deferred payment
  - Negotiation
  - Usance L/C (supplier credit)
2. **Trust Receipt:** The Bank will make an advance payment on behalf of the importers against the import L/C or under payment terms of cash on delivery or remittance. The service helps add liquidity by addressing the need for short-term cash and increase the credibility of importers as the payment to supplier will be made immediately.
3. **Import Bills for Collection:** Notifies import bills for collection to importers according to the terms and conditions agreed between importers and overseas suppliers.
4. **Shipping Guarantees:** Provides the service to importers to submit to shipping companies in the case where goods have already arrived but the documents have not yet arrived. This helps importers save the cost of storing goods at the port.

5. **Export Letter of Credit:** Ensures exporters of payment from buyers through bank credit commitments of the L/C issuing bank. The service is also suitable for those who wish to secure funding from L/C and customers of the Bank trade finance services such as Packing credit, Export Bill Purchase, Export Discounting or Forfeiting.
6. **Export L/C Bill Negotiation/Discount:** Exporters are able to receive payments upfront against their export bills negotiated under L/C, thereby boosting their financial liquidity.
7. **Packing Credit:** Enhances exporters' liquidity, the service is used to cover the cost of goods, material, and production for export under the L/C received from overseas importers.
8. **International Remittances:** International money transfer that enables receipt or sending for goods, investments, dividends, commissions, education expenses or other purposes through SWIFT or T/T promptly and reliably utilizing ICBC Group's global network.

## Foreign Exchange Services

The Bank offers foreign exchange services in all major currencies including advisory services and information on the trends of interest rates and exchange rates to its customers to be used as a basis for customers' decision-making. The services currently provided are as follows:

- Spot
- Forward
- SWAP

## Bahtnet Services

The Bahtnet Service caters to the need to transfer large amounts of funds to beneficiary accounts opened with other banks in Thailand. Beneficiaries will receive funds within the same day of transfer. The service is available at all branches across Thailand.

## Activity Highlights

### Ratchadapisek Branch Opening to Serve more Customers



The Bank was honored by the presence of His Excellency Mr. Ning Fu Kui, the Chinese Ambassador to Thailand, over the opening ceremony of ICBC (Thai)'s Ratchadapisek branch. It is another of the Bank's efforts to offer our services to customers on a wider scale. At present, ICBC (Thai) has 20 branches located in Bangkok and other provinces across the country.



## Gateway to China in Money Expo 2013

ICBC (Thai) introduced a diversified range of products such as deposits, debit cards, credit cards, internet banking services to visitors at the Money Expo 2013, during which the Bank received great feedback from visitors. The booth was designed under the concept of 'Gateway to China' aiming to highlight a complete range of products and CNY services that ICBC (Thai) provides to facilitate financial transactions between Thailand and China. Also, the booth was granted the Money & Banking Award 2013 in the category of exhibition booth decoration for the area of 100-150 cm<sup>2</sup>.



## Savings Habit Promotion

To encourage the general public in savings and to expand the deposit customer base, the Bank joined the Post Today Investment Expo 2013 to offer deposits accounts with special interest rates exclusively to the Expo's visitors.



### Corporate Social Responsibility

The Bank realizes the importance of being a valued organization with good corporate governance and corporate social responsibility (CSR), thus, gives priority to social and environmental developments while conducting its normal business operations. The Bank has been continuously conducting CSR activities aiming for material results as well as instilling the sense of social responsibility and giving back to society to its employees.



In the past year, the Bank continued its emphasis on the promotion of youth. Youths are the future of our country, hence, the opening of windows of opportunity and knowledge for them as well as giving them valuable experiences will, undoubtedly, nurture the development of their attitudes towards society and mentalities as well as their creativities.



On the occasion of the Children’s Day 2013, the Bank held the “Gift of Happiness on Children’s Day” with volunteers from the Bank’s staff becoming big sisters and big brothers to the orphans at the Phayathai Babies Home in Nonthaburi. During this event, the Bank’s volunteers presented a set of playground toys to the Phayathai Babies Home so that the children could use it to stimulate their physical and mental capabilities. They also gave UHT milk and milk bottle detergent to the Home which benefited both the babies and the caretakers.





Moreover, the Bank held another event called “Wider World with ICBC (Thai)” giving some 80 youths from Rajvithi Home for Girls and Mahamek Home for Boys a chance to visit the Sattahip Naval Base in Sattahip, Chonburi Province. The goal was for the youths to learn about marine environment and the preservation of Thai turtles. These youths had a chance to learn about different species of turtle, their life-cycles, their nurseries and more importantly the preservation of sea turtles. At this event the children also enjoyed releasing the matured turtles into the sea.



Share



**Together**  
We Share Prosperity

## Report of the Audit Committee

The Audit Committee comprises three qualified independent directors who fully met the qualifications under the rules and sound practices stipulated by the Bank's supervisory authorities. The three members, Dr. Kosol Petchsuwan, Mr. Plengsakdi Prakaspesat and Ms. Ladda Siriwattanakosol, have been appointed by the Board of Directors of the Bank to perform duties of Audit Committee of the Bank and all holding a two-year term of office.

In 2013, the Audit Committee performed its duties and responsibilities according to the scope and authority assigned by the Board of Directors as defined in the Audit Committee Charter. Throughout the year 2013, the Audit Committee held six meetings with full attendance of Audit Committee members. The Audit Committee reported the significance of its performed duties in each quarter to the Board of Directors with a summary as follows:

### 1. Financial Statements

The Audit Committee reviewed the accuracy and reliability of the semi-annual and annual financial statements of the Bank, itself and the consolidated financial statements as well as the adequacy of the disclosure of information supplementary to the financial statements and considered the issues noted from the audit of financial statements made by the external auditors. The review was made along with the management from the Accounting Department and always with the external auditors in attendance by considering the accounting information, compliance with accounting standards and regulatory requirements. Furthermore, the Audit Committee held one meeting with the external auditors without the participation of the Bank's management to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions and any points of concern arising from their audits.

Considering the auditor's opinion expressed in the financial statements as well as the issues raised from examination of the external auditors, the Audit Committee opined that the Bank has maintained adequate control system for preparing the financial statements. The Audit Committee considered and opined in line with the opinion of the external auditors that the financial statements fairly presented and adequately disclosed the reliable information in conformity with the generally accepted accounting principles. The results of the consideration on the annual financial statements and approval on the annual financial statements as authority delegated by the Board of Directors made by the Audit Committee were presented to the Board of Directors for endorsement and acknowledgement, respectively in the subsequent meeting. Meanwhile, the noticeable issues raised by the external auditors in the management letter were also brought into the consideration and acknowledgement of the Board of Directors as well. In the course of external auditors' duties, they have independently performed their duties without limitation. The points of concern raised by the external auditors had been brought to the attention of the Audit Committee. It was reported that such concerns have been well aware of and been well managed by the Bank's responsible executives.

### 2. Internal Control and Audit System

The Audit Committee considered the results of the control assessment and the efficiency of the Bank and its subsidiary's management in relation to both operations and information technology through the reports of the Internal Audit Department and those of external auditors. Appropriate discussion with relevant executives would be taken as the case may be for ensuring the implementation of sound and adequate internal control system. In year 2013, the Audit Committee discussed with the relevant managements in charge of IT functions for ensuring the smoothness of the operations and the services provision to the customers after the success of system migration. In 2013, there were no significant noticeable deficiencies.

In the year 2013, the Audit Committee considered and supported the initiation of the Internal Audit Department to design the Fraud Risk Management Framework as a tool and an operational guideline for managing the overall fraud risk that could possibly occur. The Fraud Risk Management Framework will start to be implemented in the year 2014 and consecutively performed and monitored under the main responsibility of the Risk Management Division.

As for the Bank's audit system, the Audit Committee considered and approved the annual audit plan as well as the revision of approved plan and ensured that the audit scope covered the significant banking operations and any areas/processes which expose high risk to the Bank based upon the result of risk assessment. The Audit Committee also reviewed the audit performance against the approved audit plan on a quarterly basis.

The Audit Committee was of the opinion that the Bank and its subsidiary maintained the appropriate and sufficient control system with sound management and remedial implementation. In addition, the audit systems have been sufficient, appropriate and capable to support business undertaking with sound supervision.

### 3. Regulatory Compliance

The Audit Committee supervised the Bank's compliance monitoring system through the Bank's audit function. However, the Audit Committee still regularly acknowledged reports on regulatory changes affecting the banking operations through the report of the Compliance Department.

As for business operations undertaking in year 2013 based upon the supervision through the whole year audit functions, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issue regarding conflict of interest. The Audit Committee opined that the Bank maintained the appropriate compliance functions to ascertain compliance with requirements and laws relevant to the banking business.

### 4. Statutory Auditors

Reference is made to the policy of the Industrial and Commercial Bank of China Limited (ICBC), the Bank's parent company, which requests that all subsidiaries maintain identical statutory auditors in order to facilitate the financial audits as a whole. For the year 2013 onwards, the KPMG Phoomchai Audit Ltd. was recommended by the ICBC to be the statutory auditors of the Bank and its subsidiary. Although the selection of audit firm was through the recommendation of the ICBC, in the consideration process, the Audit Committee still considered the performance, independency and qualifications of the statutory auditors as well as the quality of the auditing services as usual.

The considering result made by the Audit Committee to propose KPMG Phoomchai Audit Ltd. to be the statutory auditors of the Bank and its subsidiary for the year of 2014 shall be proposed together with their remuneration which been negotiated worldwide by the Bank's parent company to the Board of Directors for consideration and further submission to the 2014 shareholders' meeting for approval.

In all, the Audit Committee has performed its duties carefully, independently and expressed opinions straightforwardly with the intent to optimize benefits for the Bank. The Audit Committee has annually reviewed the Audit Committee Charter and assessed its performance to ensure that it completely and effectively conducted according to its roles and responsibilities assigned by the Board of Directors and fully addressed the defined objectives.



**Dr. Kosol Petchsuwan**  
Chairman of the Audit Committee

## Report of the Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee (NCC) of Industrial and Commercial Bank of China (Thai) Public Company Limited (the Bank) comprises of three Non-executive Directors with the Chairman being an Independent Director.

The NCC has, in the past year, conducted its duties as assigned by the Board of Directors in accordance with the NCC Charter. The roles of the NCC are to nominate persons who possess the appropriate abilities, experience and qualifications to be appointed as Directors, Members of Committees and Senior Executives, propose appropriate compensations for Directors and Senior Executives to the Board of Directors and oversee that the Bank's operations are in compliance with the principles of good corporate governance.

In the year 2013, the NCC held 4 meetings, in total, to conduct the following matters:

- Considered the nomination of qualified persons who were not prohibited by the regulations of the Bank of Thailand for the positions of the CEO, SEVP, EVP, Directors and Members of a Committee of the Bank, including Directors who were retiring by rotation and to be reappointed for another term, to the Board of Directors and/or the Shareholders' Meeting for appointment.
- Reviewed the positions held in other companies by the Directors and Senior Executives of the Bank to ensure that they are able to fully devote time to perform their duties to the Bank effectively and submitted the review to the Board of Directors for approval.
- Considered the remunerations of Directors and Members of Committees to be comparable to the remunerations of other financial institutions and to commensurate with the duties and responsibilities given; and proposed to the Board of Directors to be proposed to the shareholders' meeting for approval.
- Considered the annual increase of salaries and bonuses for the Senior Executives as assigned by the Board of Directors.
- Considered the bonus for the Chairman of the Executive Committee and recommended to the Board of Directors for approval.
- Considered the re-appointment of the retiring Audit Committee Members and recommended to the Board of Directors for approval.
- Considered and approved the NCC Report for the year 2013.
- Reviewed and recommended the amendments to the Board of Directors' Assessment Form to the Board of the Directors for approval.
- Considered the extension of staff retirement for senior executives at EVP level and recommended it to the Board of Directors for approval.
- Acknowledged the complaints of the Bank, recommended remedial actions to ensure justice to all parties and submitted such recommendations to the Board of Directors for approval.

The NCC is determined to conduct its duties in adopting the principles of good corporate governance and ethics to the practice of the Bank on a continuous basis including adopting fair trade policy for our customers and business partners by taking into considerations the utmost benefits of the shareholders and stakeholders of the Bank. The NCC believes that good corporate governance is the most important foundation for creating sustainable stability for the business of the Bank, for maintaining its reputation and for building trust with the customers and the general public.



**Dr. Prasit Damrongchai**

Chairman of the Nomination, Compensation  
and Corporate Governance Committee

## Analysis of Operating Results and Financial Position

### Operating Results

In 2013, the Bank and its subsidiaries posted profit after tax of 1,014 million baht, representing an increase of 501 million baht or 98% from 2012 and profit before tax of 1,260 million baht, representing an increase of 573 million baht or 83% from 2012

(Unit : Million Baht)

Profit & Loss Statements	2013	2012	% change
Net interest income	4,147	3,162	31%
Non-interest income	1,087	849	28%
<b>Total net interest income and non-interest income</b>	<b>5,234</b>	<b>4,011</b>	<b>30%</b>
Operating expenses	(1,776)	(1,652)	(8)%
<b>Operating profit</b>	<b>3,458</b>	<b>2,359</b>	<b>47%</b>
Provision for doubtful accounts and impairment losses including properties foreclosed	(2,375)	(1,672)	(42)%
Reversal other provisions for TAMC	177	-	n/a
<b>Profit before tax</b>	<b>1,260</b>	<b>687</b>	<b>83%</b>
Income tax	(246)	(174)	(41)%
<b>Profit after tax</b>	<b>1,014</b>	<b>513</b>	<b>98%</b>

Net Interest income amounted to 4,147 million baht, representing an increase of 985 million baht or 31% from 2012. Non-interest income was 1,087 million baht, representing an increase of 238 million baht or 28% from 2012. An increase in non-interest income was mainly due to increase in bad debt recovery 99 million baht or 64% and net gain on trading and foreign exchange transactions 51 million baht or 225%. Operating expenses totaled 1,776 million baht, representing an increase of 124 million baht or 8% from 2012. An increase in operating expenses was mainly due to increase in personnel expense and fees and service expenses.

In 2013, the Bank and its subsidiary recorded expenses related to bad debt and doubtful accounts, impairment losses including properties foreclosed in the amount of 2,375 million baht representing an increase of 703 million baht from 2012 or 42% and reversal other provisions for TAMC 177 million baht.

In 2013, net earnings per share for the Bank and its subsidiary amounted to 0.64 baht, representing an increase of 0.32 baht or 98% from the previous year.

## Financial Position

The total assets of the Bank and its subsidiary at the end of 2013 amounted to 176,714 million baht, representing an increase of 47,100 million Baht or 36% from the end of 2012. Loans to customers net of deferred revenue increased from 106,504 million baht to 137,943 million baht, representing an increase of 31,440 million baht or 30% from the end of 2012.

(Unit : Million Baht)

Key balance sheets items	31 Dec 13	31 Dec 12	% change
Total assets	176,714	129,614	36%
Loans to customers net of deferred revenue	137,943	106,504	30%
Deposits, interbank and money market items and borrowings	156,938	111,710	40%

Total liabilities of the Bank and its subsidiaries at the end of 2013 amounted to 160,530 million baht, increased from the end of 2012 by 46,176 million baht or 40%. The main reason was the 45,228 million baht or 40% increase in deposits, interbank and money market items and borrowings.

Shareholder's equity of the Bank and its subsidiaries at the end of 2013 stood at 16,184 million baht, representing an increase of 924 million baht or 6% from the end of 2012. This increase was mainly due to the profit after tax of the Bank and its subsidiaries which was 1,014 million baht in 2013. The book value of the Bank and its subsidiaries as of 31 December 2013 was 10.18 baht per share, increased from 9.59 baht per share at the end of 2012.

## Asset Quality

At the end of 2013, the Bank's ratio of non-performing loans (NPLs) to total loans, before the deduction of allowance for doubtful accounts, was 1.22%, representing a decrease of 1.71% from the end of 2012, while such ratio after deduction of allowance for doubtful accounts was 0.89%, which was a decrease from the ratio at the end of 2012 which was 1.32%.

(Unit : Percentage)

Key financial ratios (%)	31 Dec 13	31 Dec 12
NPLs to total loans ratio (before deduct allowance for doubtful accounts)	1.22	1.71
NPLs to total loans ratio (after deduct allowance for doubtful accounts)	0.89	1.32
Capital adequacy ratio	13.67	14.23

## Capital Adequacy Ratio

As at 31 December 2013, the Bank had capital fund of 14,881 million baht, which was Tier-1 capital of 14,505 million baht and tier-2 capital of 376 million baht. The BIS ratio stood at 13.67% of capital fund per risk assets.

(Unit : Million Baht)

Capital funds	31 Dec 13	31 Dec 12
Tier 1 capital	14,505	14,003
Tier 2 capital	376	534
Total capital funds	14,881	14,537

(Unit : Percentage)

Capital ratios		
Ratio of tier 1 capital to risk assets	13.32%	13.72%
Ratio of tier 2 capital to risk assets	0.35%	0.51%
Ratio of total capital to risk assets	13.67%	14.23%

## Auditors

### Names of Auditors and Their Office

- |                                |                                      |
|--------------------------------|--------------------------------------|
| 1) Ms. Pantip Gulsantithamrong | Certified Public Accountant No. 4208 |
| 2) Ms. Somboon Supasiripinyo   | Certified Public Accountant No. 3731 |
| 3) Ms. Wilai Buranakittisophon | Certified Public Accountant No. 3920 |

The above auditors have no relationship with or interests in the Bank/subsidiaries/ executives/major shareholders or related parties thereof.

### Engaged Office

KPMG Phoomchai Audit Limited (KPMG)

### The Auditors of the Subsidiary and Affiliated Companies of the Bank

The auditors of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) are the auditors of KPMG, the same audit firm as the auditors of the Bank.

### Remuneration of Auditors

The audit fee of the Bank and its subsidiary for the year ended 31 December 2013 was 3,670,808 Baht, broken down into the audit fee of the Bank of 2,620,808 Baht and that of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) of 1,050,000 Baht.

## Independent Auditor's Report

### To the Shareholders of Industrial and Commercial Bank of China (Thai) Public Company Limited

I have audited the accompanying consolidated and the Bank's financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary and of Industrial and Commercial Bank of China (Thai) Public Company Limited, respectively, which comprise the consolidated and the Bank's statements of financial position as at 31 December 2013, the consolidated and the Bank's statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated and the Bank's Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and the Bank's financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate 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 consolidated and the Bank's 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 consolidated and separate 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 consolidated and the Bank's financial statements present fairly, in all material respects, the consolidated and the Bank's financial positions of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiary, and of Industrial and Commercial Bank of China (Thai) Public Company Limited, respectively, as at 31 December 2013, and of their consolidated and the Bank's financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Bank and its subsidiary's adoption from 1 January 2013 of certain new accounting policies. The corresponding figures presented are based on the audited consolidated and the Bank's financial statements as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unmodified opinion on those statements on 1 March 2013, after making the adjustments described in notes 3. As part of my audit I have audited the adjustments described in note 3 that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.



**(Pantip Gulsantithamrong)**

Certified Public Accountant Registration No. 4208

KPMG Phoomchai Audit Ltd. Bangkok

28 March 2014

# Statement of Financial Position

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

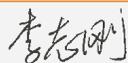
Assets	Note	Consolidated			The Bank		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(Restated)	(Restated)		(Restated)	(Restated)
		<i>(in thousand Baht)</i>					
Cash		403,646	368,845	289,865	402,877	367,960	289,369
Interbank and money market items, net	8	7,453,544	6,148,596	9,741,811	7,144,502	5,980,601	9,681,032
Derivative assets	9	402,466	122,210	403,884	402,466	122,210	403,884
Investments, net	10	30,832,130	15,814,076	11,428,643	30,832,130	15,814,076	11,428,643
Investments in a subsidiary and an associate, net	11, 12	463,197	388,150	336,816	4,554,874	4,054,874	3,540,920
Loans to customers and accrued interest receivables, net	13						
Loans to customers		146,114,549	113,221,465	72,334,970	105,172,664	93,602,314	63,343,799
Accrued interest receivables		206,896	150,654	140,539	218,880	165,775	147,027
Total loans to customers and accrued interest receivables		146,321,445	113,372,119	72,475,509	105,391,544	93,768,089	63,490,826
Less deferred revenue		(8,171,356)	(6,717,030)	(4,782,912)	-	(779)	(1,295)
Less allowance for doubtful accounts	16	(3,397,761)	(2,083,082)	(1,196,682)	(2,423,467)	(1,688,810)	(824,401)
Less revaluation allowance for debt restructuring	17	(19,461)	(23,997)	(12,386)	(19,461)	(23,997)	(12,386)
Total loans to customers and accrued interest receivables, net		134,732,867	104,548,010	66,483,529	102,948,616	92,054,503	62,652,744
Properties foreclosed, net	18	987,883	1,056,259	1,198,139	869,984	953,251	1,164,977
Premises and equipment, net	19	179,926	163,841	171,200	113,329	121,399	143,663
Intangible assets, net	20	72,426	76,895	89,998	62,465	64,773	76,295
Leasehold right, net		175,758	186,410	197,062	175,758	186,410	197,062
Deferred tax assets, net	21	359,660	216,116	221,559	66,173	106,092	138,364
Accrued income, net		312,610	208,837	113,400	299,337	188,680	102,895
Receivables on credit support for derivative contracts		135,287	579	64,572	135,287	579	64,572
Other receivables, net		171,903	283,847	246,119	92,413	135,488	173,931
Other assets, net	22	30,763	31,165	24,076	18,471	20,485	18,389
<b>Total assets</b>		<b>176,714,066</b>	<b>129,613,836</b>	<b>91,010,673</b>	<b>148,118,682</b>	<b>120,171,381</b>	<b>90,076,740</b>

The accompanying notes are an integral part of these financial statements

# Statement of Financial Position

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

Liabilities and equity	Note	Consolidated			The Bank		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012	2012	2013	2012	2012
			(Restated)	(Restated)		(Restated)	(Restated)
		(in thousand Baht)					
<b>Liabilities</b>							
Deposits	24	83,734,809	67,205,115	20,832,339	83,734,983	67,208,062	20,833,789
Interbank and money market items	25	44,785,767	36,190,027	1,491,510	42,585,767	33,690,027	1,491,510
Liabilities payable on demand		15,458	13,535	29,230	15,458	13,535	29,230
Derivative liabilities	9	1,131,227	129,041	671,593	1,131,227	129,041	671,593
Debt issued and borrowings	26	28,417,377	8,315,368	51,451,656	3,250,820	2,725,376	51,451,656
Employee benefit obligations	27	133,347	116,294	113,130	103,145	93,310	94,671
Other provisions	28	132,450	328,700	326,050	132,450	328,700	326,050
Accrued interest payables		685,900	542,006	421,714	536,615	483,706	421,714
Other liabilities	29	1,493,432	1,514,140	1,090,294	817,044	657,467	530,075
<b>Total liabilities</b>		<b>160,529,767</b>	<b>114,354,226</b>	<b>76,427,516</b>	<b>132,307,509</b>	<b>105,329,224</b>	<b>75,850,288</b>
<b>Equity</b>							
Share capital	30						
Authorised share capital							
451,081 non-cumulative preference shares of Baht 8.92 each							
(1 January 2012: 451,081 non-cumulative preference shares of Baht 10 each)		4,023	4,023	4,511	4,023	4,023	4,511
1,590,001,864 ordinary shares of Baht 8.92 each							
(1 January 2012: 1,590,001,864 ordinary shares of Baht 10 each)		14,182,817	14,182,817	15,900,018	14,182,817	14,182,817	15,900,018
Issued and paid-up share capital							
451,081 non-cumulative preference shares of Baht 8.92 each							
(1 January 2012: 451,081 non-cumulative preference shares of Baht 10 each)		4,023	4,023	4,511	4,023	4,023	4,511
1,590,001,864 ordinary shares of Baht 8.92 each							
(1 January 2012: 1,590,001,864 ordinary shares of Baht 10 each)		14,182,817	14,182,817	15,900,018	14,182,817	14,182,817	15,900,018
Other components of equity	10.3, 31, 32	198,651	287,916	124,616	198,651	287,916	124,616
Retained earnings							
Appropriated							
Legal reserve	31	200,000	100,000	-	200,000	100,000	-
Unappropriated (Deficit)		1,598,808	684,854	(1,445,988)	1,225,682	267,401	(1,802,693)
<b>Equity attributable to the Bank's shareholders</b>		<b>16,184,299</b>	<b>15,259,610</b>	<b>14,583,157</b>	<b>15,811,173</b>	<b>14,842,157</b>	<b>14,226,452</b>
Non-controlling interest		-	-	-	-	-	-
<b>Total equity</b>		<b>16,184,299</b>	<b>15,259,610</b>	<b>14,583,157</b>	<b>15,811,173</b>	<b>14,842,157</b>	<b>14,226,452</b>
<b>Total liabilities and equity</b>		<b>176,714,066</b>	<b>129,613,836</b>	<b>91,010,673</b>	<b>148,118,682</b>	<b>120,171,381</b>	<b>90,076,740</b>



(Mr. Zhigang Li)

Chief Executive Officer



(Mr. Guohui Song)

Senior Executive Vice President

# Statement of Comprehensive Income

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

	Note	Consolidated		The Bank	
		For the year ended		For the year ended	
		31 December		31 December	
		2013	2012	2013	2012
		(Restated)		(Restated)	
		<i>(in thousand Baht)</i>			
Interest income	37	7,939,081	6,078,724	5,533,283	4,713,661
Interest expense	38	3,792,125	2,917,115	3,089,854	2,805,081
Net interest income		4,146,956	3,161,609	2,443,429	1,908,580
Fees and service income		410,325	368,673	84,557	59,990
Fees and service expense		13,505	1,118	13,505	1,118
Net fees and service income	39	396,820	367,555	71,052	58,872
Net trading income	40	73,494	22,645	73,612	22,645
Net gain on investments	41	3,829	12,257	3,829	12,257
Share of profit of associate	12	91,558	43,983	-	-
Gains on disposals of equipment, properties foreclosed and other assets		158,473	159,402	148,388	139,225
Bad debts recovered		252,965	154,040	176,088	106,158
Dividends received		7,945	7,139	24,454	264,993
Other operating income		102,177	82,344	29,471	22,037
Total operating income		5,234,217	4,010,974	2,970,323	2,534,767
Other operating expenses					
Employee expenses		1,027,237	992,475	653,015	616,406
Directors' remuneration	42	16,487	14,924	16,337	14,324
Premises and equipment expenses		180,856	166,031	116,494	124,901
Taxes and duties		193,792	178,992	163,042	143,076
Amortisation expense on intangible assets		20,696	31,464	16,864	27,769
Reversal of estimate for loss sharing of TAMC	28	(176,591)	-	(176,591)	-
Losses on properties foreclosed (reversal)		510,153	309,849	(93,522)	66,503
Others		336,154	267,729	136,234	119,498
Total other operating expenses		2,108,784	1,961,464	831,873	1,112,477
Bad debts, doubtful accounts and impairment losses	43	1,865,477	1,362,010	810,873	900,402
Profit before tax		1,259,956	687,500	1,327,577	521,888
Income tax expense	44	246,002	174,347	269,295	69,484
<b>Profit for the year</b>		<b>1,013,954</b>	<b>513,153</b>	<b>1,058,282</b>	<b>452,404</b>

The accompanying notes are an integral part of these financial statements

# Statement of Comprehensive Income

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

	Note	Consolidated		The Bank	
		For the year ended		For the year ended	
		31 December		31 December	
		2013	2012	2013	2012
		(Restated)	(Restated)		
		<i>(in thousand Baht)</i>			
Other comprehensive income	44				
Net change in fair value of available-for-sale investments		(111,582)	204,125	(111,582)	204,125
Income tax on other comprehensive income		22,317	(40,825)	22,317	(40,825)
Other comprehensive income for the year, net of income tax		(89,265)	163,300	(89,265)	163,300
<b>Total comprehensive income for the year</b>		<b>924,689</b>	<b>676,453</b>	<b>969,017</b>	<b>615,704</b>
Profit attributable to					
Shareholders of the Bank		1,013,954	513,153	1,058,282	452,404
Non-controlling interest		-	-	-	-
<b>Profit for the year</b>		<b>1,013,954</b>	<b>513,153</b>	<b>1,058,282</b>	<b>452,404</b>
Total comprehensive income attributable to					
Shareholders of the Bank		924,689	676,453	969,017	615,704
Non-controlling interest		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>924,689</b>	<b>676,453</b>	<b>969,017</b>	<b>615,704</b>
Earnings per share of the Bank					
Basic earnings per share (in Baht)	45	0.64	0.32	0.67	0.28



(Mr. Zhigang Li)  
Chief Executive Officer



(Mr. Guohui Song)  
Senior Executive Vice President

# Statement of Changes in Equity

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

## Consolidated

	Issued and paid-up share capital		Other components of equity		Retained earnings (Deficit)		Total equity attributable to the Bank's shareholders	Non-controlling interest	Total equity
	Preference shares	Ordinary shares	Revaluation surplus on available-for-sale investments	Legal reserve	Unappropriated (Deficit)				
<b>For the year ended 31 December 2012</b>									
Balance at 1 January 2012 - as reported	4,511	15,900,018	155,770	-	(1,698,701)	14,361,598	-	14,361,598	
Impact of changes in accounting policies	-	-	(31,154)	-	252,713	221,559	-	221,559	
Balance at 1 January 2012 - restated	4,511	15,900,018	124,616	-	(1,445,988)	14,583,157	-	14,583,157	
Transactions with owners, recorded directly in equity									
<i>Contributions by the shareholders</i>									
Reduction of share capital by means of decreasing the par value to offset the deficit	(488)	(1,717,201)	-	-	1,717,689	-	-	-	
<i>Total contributions by the shareholders</i>	(488)	(1,717,201)	-	-	1,717,689	-	-	-	
Comprehensive income for the year	-	-	-	-	513,153	513,153	-	513,153	
Profit for the year	-	-	-	-	513,153	513,153	-	513,153	
Other comprehensive income	-	-	163,300	-	-	163,300	-	163,300	
<b>Total comprehensive income for the year</b>	-	-	163,300	-	513,153	676,453	-	676,453	
Transfer to legal reserve	-	-	-	100,000	(100,000)	-	-	-	
Balance at 31 December 2012	4,023	14,182,817	287,916	100,000	684,854	15,259,610	-	15,259,610	
<b>For the year ended 31 December 2013</b>									
Balance at 1 January 2013 - as reported	4,023	14,182,817	359,895	100,000	396,759	15,043,494	-	15,043,494	
Impact of changes in accounting policies	-	-	(71,979)	-	288,095	216,116	-	216,116	
Balance at 1 January 2013 - restated	4,023	14,182,817	287,916	100,000	684,854	15,259,610	-	15,259,610	
Comprehensive income for the year									
Profit for the year	-	-	-	-	1,013,954	1,013,954	-	1,013,954	
Other comprehensive income	-	-	(89,265)	-	-	(89,265)	-	(89,265)	
<b>Total comprehensive income for the year</b>	-	-	(89,265)	-	1,013,954	924,689	-	924,689	
Transfer to legal reserve	-	-	-	100,000	(100,000)	-	-	-	
Balance at 31 December 2013	4,023	14,182,817	198,651	200,000	1,598,808	16,184,299	-	16,184,299	

(in thousand Baht)

Note

For the year ended 31 December 2012  
Balance at 1 January 2012 - as reported  
Impact of changes in accounting policies  
Balance at 1 January 2012 - restated  
Transactions with owners, recorded directly in equity  
*Contributions by the shareholders*  
Reduction of share capital by means of decreasing the par value to offset the deficit  
*Total contributions by the shareholders*  
Comprehensive income for the year  
Profit for the year  
Other comprehensive income  
**Total comprehensive income for the year**  
Transfer to legal reserve  
Balance at 31 December 2012

For the year ended 31 December 2013  
Balance at 1 January 2013 - as reported  
Impact of changes in accounting policies  
Balance at 1 January 2013 - restated  
Comprehensive income for the year  
Profit for the year  
Other comprehensive income  
**Total comprehensive income for the year**  
Transfer to legal reserve  
Balance at 31 December 2013

The accompanying notes are an integral part of these financial statements



# Statement of Cash Flows

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

	Consolidated		The Bank	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	1,259,956	687,500	1,327,577	521,888
<i>Adjustments for</i>				
Depreciation and amortisation	83,982	90,425	59,061	74,627
Bad debts, doubtful accounts and impairment losses	1,865,477	1,362,010	810,873	900,402
Losses of write-off of fixed assets	520	58	-	1
Gains on disposals of properties foreclosed	(157,815)	(157,126)	(147,191)	(137,303)
Losses on properties foreclosed (reversal)	510,153	309,849	(93,522)	66,503
Net gain on investments	(3,829)	(12,257)	(3,829)	(12,257)
Gain on disposal of non-performing loans	-	(6,946)	-	(6,946)
Gain on sales of equipment	(1,178)	(2,276)	(1,197)	(1,923)
Net trading income	(73,494)	(22,645)	(73,612)	(22,645)
Employee benefit obligations (reversal)	17,054	3,164	9,836	(1,361)
Provisions for other liabilities	3,750	2,650	3,750	2,650
Reversal of estimate for loss sharing of TAMC	(176,591)	-	(176,591)	-
Other income from revaluation of other receivables	(2,121)	(2,219)	(2,121)	(2,219)
Amortisation of borrowing fee	11,606	-	728	-
Share of profit of associates	(91,558)	(43,983)	-	-
Net interest income	(4,146,956)	(3,161,609)	(2,443,429)	(1,908,580)
Dividend income	(7,945)	(7,139)	(24,454)	(264,993)
Proceeds from interest	7,194,025	5,260,400	4,794,690	3,887,115
Interest paid	(2,737,026)	(1,481,230)	(2,763,433)	(1,429,012)
Proceeds from dividend	7,945	7,139	7,945	7,139
Income tax paid	(203,614)	(335,941)	(57,685)	(181,438)
<b>Income from operations before changes in operating assets and liabilities</b>	<b>3,352,341</b>	<b>2,489,824</b>	<b>1,227,396</b>	<b>1,491,648</b>
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(1,342,124)	3,582,585	(1,201,074)	3,689,797
Derivative assets	560,999	578,738	560,999	578,738
Loans to customers	(32,068,990)	(39,406,514)	(11,726,781)	(30,273,550)
Properties foreclosed	(228,155)	(1,878)	379,787	291,491
Receivables on credit support for derivative contracts	(134,708)	63,993	(134,708)	63,993
Other receivables	143,765	(29,851)	74,896	46,321
Other assets	(24,576)	14,703	(29,848)	59,912

# Statement of Cash Flows

Industrial and Commercial Bank of China (Thai)  
Public Company Limited and its Subsidiary

	Consolidated		The Bank	
	For the year ended		For the year ended	
	31 December		31 December	
	2013	2012	2013	2012
<i>(in thousand Baht)</i>				
<b>Cash flows from operating activities</b>				
<i>Increase (decrease) in operating liabilities</i>				
Deposits	16,529,694	46,372,776	16,526,921	46,374,273
Interbank and money market items	8,595,739	34,698,518	8,895,739	32,198,518
Liabilities payable on demand	1,923	(15,695)	1,923	(15,695)
Derivative liabilities	234,424	(816,970)	234,542	(816,970)
Accrued expense	(32,723)	79,590	20,542	60,080
Other liabilities	(172,787)	419,146	(36,602)	91,777
<b>Net cash (used in) provided by operating activities</b>	<b>(4,585,178)</b>	<b>48,028,965</b>	<b>14,793,732</b>	<b>53,840,333</b>
<b>Cash flows from investing activities</b>				
Interest received	602,176	730,611	602,176	730,611
Dividend received	16,510	6,604	16,510	257,854
Increase in long-term investments	(15,087,411)	(4,172,817)	(15,087,411)	(4,172,817)
Increase in investments in receivables	(7,112)	(82,295)	(7,112)	(82,295)
Purchases of investments in a subsidiary and an associated	-	(13,954)	(500,000)	(513,954)
Purchases of equipment	(77,893)	(35,675)	(32,227)	(13,628)
Sales of equipment	1,312	3,315	1,196	1,927
Purchases of intangible assets	(16,570)	(19,519)	(14,556)	(16,348)
<b>Net cash (used in) investing activities</b>	<b>(14,568,988)</b>	<b>(3,583,730)</b>	<b>(15,021,424)</b>	<b>(3,808,650)</b>
<b>Cash flows from financing activities</b>				
Interest paid from borrowing and long-term debt issued	(895,290)	(1,225,745)	(258,787)	(1,224,230)
Proceeds from borrowings and long-term debt issued	25,018,709	277,158,843	5,453,021	271,568,851
Repayment of borrowings and long-term debt issued	(4,928,305)	(320,295,131)	(4,928,305)	(320,295,131)
Finance lease payments	(6,147)	(4,222)	(3,320)	(2,582)
<b>Net cash provided by (used in) financing activities</b>	<b>19,188,967</b>	<b>(44,366,255)</b>	<b>262,609</b>	<b>(49,953,092)</b>
<b>Net increase in cash</b>	<b>34,801</b>	<b>78,980</b>	<b>34,917</b>	<b>78,591</b>
Cash at 1 January	368,845	289,865	367,960	289,369
<b>Cash at 31 December</b>	<b>403,646</b>	<b>368,845</b>	<b>402,877</b>	<b>367,960</b>

# Notes to Financial Statements

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## Notes to Financial Statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on March 28, 2014.

### 1. General information

Industrial and Commercial Bank of China (Thai) Public Company Limited, “the Bank”, is incorporated in Thailand and has its registered office at No. 622, Sukhumvit Road, Klongton Sub-district, Klongtoey District, Bangkok.

The parent company during the financial year was Industrial and Commercial Bank of China Limited, which is incorporated in the People’s Republic of China. The Parent Company of the Bank holds 97.70% of the issued and paid-up share capital of the Bank.

The principal activities of the Bank is the provision of financial products and services through its branches network in Thailand. Detail of the Bank’s subsidiary as at 31 December 2013 and 2012 are given in notes 11 and 34.

### 2. Basis of preparation of the financial statements

#### (a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (FAP); and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The FAP has issued the following new and revised TFRS relevant to the Bank and its subsidiary’s operations and effective for accounting periods beginning on or after 1 January 2013 :

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
FAP Announcement 34/2555	Accounting guidance for Transfers of Financial Assets

The adoption of these new and revised TFRS has resulted in changes in the Bank and its subsidiary’s accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Bank and its subsidiary’s operations are disclosed in note 46.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments held for trading purpose are measured at fair value;
- available-for-sale financial assets are measured at fair value.

**(c) Functional and Presentation currency**

The financial statements are presented in Thai Baht, which is the Bank and its subsidiary's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4(u)	Current tax and deferred tax
Note 6	Fair value of financial instruments
Note 9	Derivatives
Note 10	Investments, net
Note 16	Allowance for doubtful accounts
Note 28	Other provision

**3. Changes in accounting policies****(a) Overview**

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Bank and its subsidiary have changed their accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments
- Accounting for transfers of financial assets

Details of the new accounting policies adopted by the Bank and its subsidiary are included in notes 3 (b) to 3 (e) below.

**(b) Accounting for income tax**

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4(u).

The Bank and its subsidiary adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

Statement of financial position as at	Consolidated			The Bank		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
	<i>(in million Baht)</i>					
Increase in deferred tax assets	590	429	346	116	178	169
Increase in deferred tax liabilities	230	213	124	50	72	31
	<b>360</b>	<b>216</b>	<b>222</b>	<b>66</b>	<b>106</b>	<b>138</b>
(Decrease) in other components of equity	(50)	(72)	(31)	(50)	(72)	(31)
Increase in retained earnings	410	288	253	116	178	169
Increase in equity attributable to the Bank's shareholders	<b>360</b>	<b>216</b>	<b>222</b>	<b>66</b>	<b>106</b>	<b>138</b>
Increase in total equity	<b>360</b>	<b>216</b>	<b>222</b>	<b>66</b>	<b>106</b>	<b>138</b>

Statement of comprehensive income for the year ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
(Increase)/decrease in income tax expense	122	35	(62)	9
Increase/(decrease) in profit for the year	122	35	(62)	9
Increase (decrease) in earnings per share				
- Basic earnings per share (in Baht)	<b>0.08</b>	<b>0.02</b>	<b>(0.04)</b>	<b>0.01</b>

**(c) Accounting for the effects of changes in foreign exchange rates**

From 1 January 2013, the Bank and its subsidiary have adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Bank and its subsidiary is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Bank and its subsidiary's reported assets, liabilities or retained earnings.

**(d) Presentation of information on operating segments**

From 1 January 2013, the Bank and its subsidiary have adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Bank and its subsidiary's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Bank and its subsidiary's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Bank and its subsidiary's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Bank and its subsidiary presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Bank and its subsidiary's financial statements and is disclosed in note 36.

**(e) Accounting for transfers of financial assets**

The FAP has issued accounting guidance for transfers of financial assets, under which the classification of receivables purchased or transferred to the Bank and its subsidiary be classified as loans, unless the Bank and its subsidiary have the intention to sell the debt in the future to be classified as investments, was adopted by the Bank and its subsidiary for the reporting period beginning on 1 January 2013 onwards. The change in policy above only impacts presentational aspects and has no impact on the Bank and its subsidiary's reported assets, liabilities, results or earnings per share. There were no such transactions in the current period.

The classification of receivables purchased or acquired prior to 1 January 2013 is maintained as investment in receivables, for which the criteria specified in accounting standards related to investments in debt and equity securities are applied.

## 4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in accounting policies.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Bank and its subsidiary (together referred to as "the Bank and its subsidiary") and interests in associates.

### *Subsidiary*

Subsidiary is an entity controlled by the Bank. Control exists when the Bank has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of a subsidiary have been changed where necessary to align them with the policies adopted by the Bank, except that the subsidiary calculates depreciation of motor vehicles using the sum-of-the-years digits method. However, the effect of the use of a different method of depreciation for motor vehicles is not significant to the consolidated financial statements as a whole.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### *Loss of control*

Upon the loss of control, the Bank and its subsidiary derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Bank retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

### *Associate*

Associate is an entity in which the Bank and its subsidiary has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Bank and its subsidiary holds between 20% and 50% of the voting power of another entity.

Investments in an associate are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Bank and its subsidiary's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Bank and its subsidiary, from the date that significant influence commences until the date that significant influence ceases. When the Bank and its subsidiary's share of losses exceeds its interest in an associate, the Bank and its subsidiary's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank and its subsidiary has incurred legal or constructive obligations or made payments on behalf of the associate.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Bank and its Subsidiary's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Bank and its subsidiary do not treat investments in any mutual funds in which they hold more than 50% of outstanding units as investments in a subsidiary because they do not have control over the financial and operating policies of these funds. In case that the Bank and its subsidiary receive shares as a result of debt restructuring of a borrower, which causes the Bank and its subsidiary to hold more than 50 % or 20 % of the paid-up share capital of such company, the Bank and its subsidiary will not treat that investee company as a subsidiary or an associate, respectively, since they intend to hold such investment temporarily and will treat it as a general investment. Such investment is stated at cost less allowance for impairment losses (if any).

## **(b) Revenue**

### *Interest and discounts on loans*

Interest on loans is recognised as revenue on an accrual basis over the term of the loans based on the amount of principal outstanding. For loans on which principal and/or interest payments have been defaulted for more than three months from the due dates, the Bank and its subsidiary cease accrual of interest income and reverse the interest previously accrued as revenue from its accounts. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance has been received from the debtors.

The Bank recognises interest income on restructured loans on the same accrual basis used for loans discussed above with reference to interest rates stipulated in the agreements (excluding interest charged and suspended for payment in the future), with the exception of restructured loans that are subject to monitoring for compliance with restructuring conditions, interest income on which is to be recognised on a cash basis until the borrower has been able to comply with the restructuring conditions for a period of not less than three consecutive months or three consecutive installments, whichever is longer.

Interest or discounts, which are already included in the face value of notes receivable or loans, are recorded as deferred interest and taken up as revenue evenly throughout the term of the notes or loans.

### *Hire purchase and finance lease income*

The subsidiary recognises income from hire-purchase and finance lease contracts based on the effective interest method, over the period of the contracts. For hire purchase and finance lease receivables on which installments have defaulted and are overdue for more than three months from the due dates, the subsidiary ceases accrual of revenue and reverses the revenue previously accrued but not collected. Interest is then recognised as revenue on a cash basis until settlement of such overdue balance.

### *Interest and dividends on investments*

Interest on investments is recognised as revenue on the effective interest method. Dividends from securities are recognised as revenue when the right to receive the payment is established.

### *Gains (losses) on investments*

*Gains (losses) on investments are recognised as revenue/expenses on the trade or settlement dates.*

### *Gains (losses) on derivatives trading*

*Gains (losses) on derivatives trading are recognised as revenue/expenses on the trade or settlement dates.*

### *Fees and service income*

Fees are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered taking into account the stage of completion

**(c) Expense***Interest expenses*

Interest expenses are recognised as expense on an accrual basis.

*Commissions and direct expenses from the hire purchase and finance lease business*

Commissions and initial direct expenses at the inception of a hire-purchase and finance lease contracts are deferred and amortised as expenses throughout the contract period, using the effective interest rate method, with the amortisation deducted from interest income.

*Other expenses*

Other expenses are recognised on an accrual basis

**(d) Securities purchased under resale agreements/Securities sold under repurchase agreements**

The Bank enters into agreements to purchase securities or to sell securities that include agreements to sell or purchase the securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to resale commitments are presented as assets under the caption of "Interbank and money market items" in the statements of financial position, and the underlying securities are treated as collateral to the receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items" in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

Differences between the purchase and sale considerations are recognised as interest income or expenses over the transaction periods.

**(e) Derivatives**

The Bank has entered into transactions involving derivatives in order to respond to clients' needs and to manage its own foreign exchange and interest rate risks. Derivative contracts are measured according to the purpose of entering into those transactions as follows:

*Trading Book*

As at the end of reporting period, foreign exchange contracts are measured at fair value. Gains or losses arising from revaluation are recognised as income or expense in profit or loss from operations.

The fair values of foreign exchange contracts are determined, using the forward exchange rates at the end of reporting period for the contract periods remaining on those dates.

*Banking Book (Not held for trading)*

As at the end of reporting period, the Bank recognises foreign exchange contracts, interest rate swap contracts, cross currency and interest rate swap contracts on an accrual basis as follows:

(a) The currency exchange components are translated at the exchange rates ruling as at the end of reporting period. Unrealised gains or losses on translation are recognised as income or expense in profit or loss from operations. Forward points are amortised on a straight-line basis over the contract periods and recognised as income or expense in profit or loss from operations.

(b) Interest rate swap components are recognised on an accrual basis, in the same manner as the hedged assets or liabilities. Interest income or interest expense is recognised over the term of the contract periods as income or expense in profit or loss from operations.

These measurement methods are in compliance with the principles stipulated by the Bank of Thailand's Notification.

#### (f) Investments

##### *Investments in an associate and a subsidiary*

Investments in an associate and a subsidiary in the Bank's financial statements are accounted for using the cost method, net of accumulated impairment (if any). Investments in an associate in the consolidated financial statements are accounted for using the equity method. Under this method, the investment is initially recorded at the acquisition cost and is adjusted to reflect the attributable share of the profit or loss from the operation of associate proportionately to its investment holding percentage and is reduced by the amount of dividend received.

If the Bank receives shares as a result of debt restructuring of a borrower, and as a result the Bank holds more than 50 percent or 20 percent of the paid-up share capital of such company, the Bank will not treat the investee company as a subsidiary or an associate, respectively, but will treat it as a general investment since the Bank intends to hold such investment temporarily. Such investment are stated at cost less allowance for impairment losses (if any).

##### *Investments in other debt and equity securities*

Debt securities that the Bank and its subsidiary has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences on monetary items are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses (if any).

##### *Fair values of securities*

For government securities and state enterprise securities, fair values are calculated by using the Bank of Thailand formula, based on the yield curve of The Thai Bond Market Association or other financial institutions.

For private sector debt securities which can be freely traded on an open market or for which quoted market prices are readily available, the last trading price quoted by The Thai Bond Market Association is used as a fair value. In the absence of such price, fair value is determined applying the yield curve of The Thai Bond Market Association or other financial institutions, adjusted for an appropriate risk premium, in accordance with the criteria established by the Bank of Thailand. For private sector debt securities, which cannot be freely traded on an open market or for which a quoted market price is not readily available, the Bank uses the fair value that is determined by financial institutions who issued or sold those securities. The fair value of investment in receivables that are not freely traded in an open market, is calculated using the investment yield as at the investment date, and thereafter adjusted by a change in credit risk of the debtor being invested.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the year of the Stock Exchange of Thailand

Fair value of investment units is determined using the net asset value announced as of the end of the reporting period.

#### *Disposal of investments*

Purchases and sales of investments in equity securities are recognised on the trade dates, while purchases and sales of investments in debt securities are recognised on the settlement dates.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Bank and its subsidiary disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

Losses on impairment of investments are recognised as expenses in profit or loss from operation.

In the event the Bank reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification dates. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss from operation or recorded as revaluation surplus (deficit) on investments in equity, depending on the type of investment that is reclassified.

The Bank considers available-for-sale investments and general investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

#### **(g) Loans to customers**

Loans to customers are presented at the principal balances, excluding accrued interest receivables, except for overdrafts which are presented at the principal balances plus accrued interest receivables. Deferred revenue and unearned discounts on loans to customers are deducted from the loans to customers balances.

#### *Hire purchase receivables and finance lease receivables*

Hire purchase receivables and finance lease receivables are stated at outstanding balances according to the hire-purchase and finance lease contracts net of outstanding balances of unearned income, which are presented net of deferred commission expenses and initial direct costs.

#### **(h) Allowance for doubtful accounts**

The Bank provides allowance for doubtful accounts in accordance with the BOT guidelines, using the minimum rates stipulated by the BOT. The Bank sets provision for “pass” loans (including restructured receivables) and “special-mention” loans at minimum rates of 1% and 2%, respectively, of the loan balances (excluding accrued interest receivables) after deducting collateral value, calculated in accordance with the BOT’s guidelines. For non-performing loans, the Bank sets provision at a rate of 100% of the debt balance remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposal, discounted using the discount rate and duration expected to be able to dispose the collateral as stipulated in the BOT’s notifications.

The subsidiary provides an allowance for doubtful accounts with reference to number of months past due and provisioning rates as stipulated in the BOT's notifications. Allowance for doubtful accounts is set for "pass" and "special-mention" loans at minimum rates of 1% and 2%, respectively, of the loan balances after deducting collateral value, calculated in accordance with the BOT's guidelines, and at 100% of the balances of non-performing loans after deducting the present value of expected future cash flows from collateral disposal, calculated in accordance with the BOT's guidelines.

In addition, the Bank has a loan loss provisioning policy whereby it provides additional allowance for certain exposures of the Bank and its subsidiary that are classified as "Pass" and "Special Mention", at rates higher than the minimum rates specified by BOT. Such rates are determined taking into considerations the probability of the loans becoming non-performing loans (PD) and the loss rates if those loans are not recovered in full (LGD), adjusted by an additional amount of allowance and considered on a case by case basis from the analysis of the situation of debtor, repayment record of debt, collection experience from the debtor, value of collateral and economic environment.

The Bank writes off bad debts in accordance with the BOT's guidelines and as approved by the Executive Committee where by it will reverse the related allowance for doubtful accounts against the decrease in bad debts and doubtful accounts in profit or loss from operation. At the same time, the Bank writes off the balances of bad debts and charges them against bad debts and doubtful accounts as expenses in profit or loss from operation. All bad debts recovered are recognised as revenue in profit or loss from operation.

Allowance for doubtful accounts made in the year is recognised as bad debts and doubtful account expense in the statement of comprehensive income.

**(i) Troubled debt restructuring**

The Bank records troubled debt restructuring transactions with reference to criteria stipulated by the Bank of Thailand.

In cases where the troubled debt restructuring involves debt/asset swaps and/or debt/equity swaps, the Bank records assets and/or equity received in settlement of debts at their fair value less estimated selling expenses (if any) provided that it does not exceed the book value of outstanding principal and accrued interest receivables. Losses arising from the excess of the carrying value over the fair value of those assets and equity transferred are recognised as expense in profit or loss from operation, taking into account existing allowance for doubtful accounts.

In cases where the troubled debt restructuring involves modification of the repayment conditions, the Bank records losses arising from revaluation of the fair value of the debts after restructuring determined by the present value of expected cash flows to be received in accordance with new restructuring agreements, discounted by the Bank's minimum interest rates on loans to large customers. The lower of the then-determined present value and the carrying value is accounted for as allowance for revaluation on debt restructuring and recognised as an expense in profit or loss from operation in the period in which the debt is restructured. Such allowance is amortised and recognised as revenue in profit or loss from operation over the remaining period of the restructuring periods or is reviewed by revaluing the net present value of expected cash flows to be received over the remaining period.

Losses arising from debt restructuring through waivers of principal and/or recorded accrued interest receivables are recognised as expenses in profit or loss from operation.

**(j) Properties foreclosed**

Properties foreclosed are stated at the lower of cost at the acquisition date and net realisable value. Net realisable value is determined with reference to the appraisal value less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenue or expenses in profit or loss from operation when significant risk and rewards have been transferred to the buyer. Impairment loss is recognised as expenses in profit or loss from operation.

The management uses the BOT's regulation and judgment to estimate impairment losses, taking into consideration the latest appraisal values, types and characteristics of assets, the period of time for which to be recouped from disposals and changes in the economic conditions.

**(k) Premises and equipment***Recognition and measurement**Owned assets*

Land is stated at cost. Premises and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

*Leased assets*

Leased assets in terms of which the Bank and its subsidiary substantially assumes all the risk and rewards of ownership are classified as finance leases. Premises and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiary, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of premises and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as expenses to profit or loss from operation, using a straight-line basis over the estimated useful lives of each component of an item of assets (except for the depreciation of motor vehicles of a subsidiary, which is calculated by reference to their cost, after deducting residual values, on the sum-of-the-years digits method). The estimated useful lives are as follows:

Buildings	34 years
Furniture, fixtures and office equipment	1-3, 5 and 10 years
Motor vehicles	5 years

No depreciation is provided on freehold land.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### *Disposal of premises and equipment*

The Bank and its subsidiary derecognized an item of premises and equipment upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised in profit or loss from operation when the Bank and its subsidiary derecognised that assets.

#### **(l) Intangible assets**

Intangible assets that are acquired by the Bank and its subsidiary and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

#### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

#### *Amortisation*

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Computer softwares	5 years
Deferred license fee	10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

#### **(m) Leasehold rights**

Leasehold rights are stated at cost less accumulated amortisation and impairment loss. Amortisation is recognised as expense in profit or loss on a straight-line basis over the lease period of 30 years.

#### **(n) Sales of commercial papers**

Commercial papers sold at a discount without recourse are recorded by crediting the “Notes receivable” account.

Commercial papers sold at a discount without an aval or an acceptance with recourse, are recorded as liabilities under the caption of “Liabilities from sale of commercial papers”. Commercial papers with an aval or acceptance from other commercial banks or other financial institutions, sold at a discount with recourse, are recorded by crediting the “Notes receivable” account, and disclosed such commitment as a part of “Contingent liabilities”.

**(o) Impairment**

The carrying amounts of the Bank and its subsidiary assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial asset is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial asset carried at amortised cost and available-for-sale financial asset that are debt securities, the reversal is recognised in profit or loss.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(p) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost.

**(q) Employee benefits***Short-term employee benefits*

Short-term employee benefit obligations are salaries, wages, bonuses and contributions to the social fund which are measured on an undiscounted basis and expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Bank and its subsidiary have a present legal or constructive obligation to pay this amount as a result of past service provided by employee, and the obligation can be estimated reliably.

#### *Post-employment benefits*

The Bank and its subsidiary operates a number of post-employment benefits including both defined contribution plans and defined benefit plans.

#### *Defined contribution plans*

The Bank and its subsidiary pay fixed contributions into a separate entity (a provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

#### *Defined benefit plans*

The Bank and its subsidiary treat the severance payments they must make to employees upon retirement under labor law as post-employment retirement benefit plan.

The Bank and its subsidiary's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Bank and its subsidiary's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed by a qualified actuary using the projected unit credit method. The determination is made involving various assumptions, including discount rate, future salary increase rate, staff turnover rate and mortality rate.

The Bank and its subsidiary recognise all actuarial gains and losses arising from defined benefit plans and all expenses related to defined benefit plans in profit or loss.

### **(r) Provisions**

Provisions are recognized when the Bank and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

#### *Profit or loss sharing from management of non-performing assets*

In calculation of profit or loss sharing from management of non-performing assets transferred to Thai Asset Management Corporation ("TAMC"), the Bank estimates the amounts expected to be recouped from debtors or the underlying collaterals or the guarantors for which management exercises judgment in determination of assumptions with respect to recovery rates on the outstanding debts under the debt restructuring agreements or collateral value. The management considers that the assumptions used are appropriate based on the availability of information to the Bank and current circumstances. The different assumptions used and the change in circumstances in the future may affect the estimated amount of loss sharing already recorded.

### *Litigation*

The Bank and its subsidiary have contingent liabilities as a result of litigation being made against them for claims of compensation. The management has used judgement to assess of the results of the litigation and recorded provisions as at the end of reporting period. However, actual results could differ from the estimates.

### **(s) Foreign currencies**

#### *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

### **(t) Operating leases**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

### **(u) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiary expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiary takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiary believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank and its subsidiary to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (v) Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to shareholders of the Bank by the weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the year.

Since November 2012, the conversion preference of the preference shares expired. Therefore, the preference shares' rights are equivalent to the ordinary shares.

#### (w) Operating segments

Segment results that are reported to the Bank's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 5. Financial risk management

### *Financial risk management policies*

The Board of Directors has established a risk management framework covering the Bank and its subsidiary to ensure risks are effectively managed on an ongoing basis. The Board of Directors has set up a risk management committee governing the Bank and its subsidiary which reports regularly to the Board of Directors on their activities.

### *Credit risk*

Credit risk is the risk that the party to a financial agreement fails to honour an obligation and consequently cause the Bank and its subsidiary to incur a financial loss. The Bank and its subsidiary have disclosed significant concentrations of credit risk in Note 13.3 to the financial statements. The maximum amount of credit risk exposure is the carrying amount of the financial assets less provision for losses as stated in the statements of financial position. The risk from off-financial position items is presented in Note 33 to the financial statements.

In addition, the Bank manages credit risk through careful consideration of credit approval process, analysis of risk factors and the ability to service debts of borrowers and performing credit review to examine process, which examines and reviews the quality of the Bank's loan portfolio so as to prevent and provide a remedy for problem loans in the future.

### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the value of financial assets and liabilities, net interest earnings, operations and cash flows of the Bank and its subsidiary.

The Bank manages interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

Significant financial assets and liabilities classified by types of interest rate are as follows:

	Consolidated			
	31 December 2013			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
<b>Financial assets</b>				
Cash	-	-	404	404
Interbank and money market items, net	201	5,986	1,267	7,454
Investments, net	3,010	27,568	254	30,832
Loans to customers <sup>(1)</sup>	63,785	71,412	2,746	137,943
<b>Total financial assets</b>	<b>66,996</b>	<b>104,966</b>	<b>4,671</b>	<b>176,633</b>
<b>Financial liabilities</b>				
<b>Deposits</b>	6,406	77,068	261	83,735
Interbank and money market items	3,511	41,018	257	44,786
Liabilities payable on demand	-	-	15	15
Debt issued and borrowings	-	28,417	-	28,417
<b>Total financial liabilities</b>	<b>9,917</b>	<b>146,503</b>	<b>533</b>	<b>156,953</b>
<b>On-financial reporting items, net</b>	<b>57,079</b>	<b>(41,537)</b>	<b>4,138</b>	<b>19,680</b>
<b>Off-financial reporting items</b>				
Avals to bill and guarantee on loan	-	-	(226)	(226)
Letters of credit	-	-	(228)	(228)
Other contingencies including derivatives	14,500	(14,556)	(6,096)	(6,152)

<sup>(1)</sup> Net of deferred revenue

	Consolidated			
	31 December 2012			
	Floating interest rate	Fixed interest rate	Non interest bearing	Total
	(in million Baht)			
<b>Financial assets</b>				
Cash	-	-	369	369
Interbank and money market items, net	81	5,009	1,059	6,149
Investments, net	2,650	12,938	226	15,814
Loans to customers <sup>(1)</sup>	41,455	62,777	2,272	106,504
<b>Total financial assets</b>	<b>44,186</b>	<b>80,724</b>	<b>3,926</b>	<b>128,836</b>
<b>Financial liabilities</b>				
<b>Deposits</b>	3,399	63,625	181	67,205
Interbank and money market items	2,883	33,257	50	36,190
Liabilities payable on demand	-	-	14	14
Debt issued and borrowings	-	8,315	-	8,315
<b>Total financial liabilities</b>	<b>6,282</b>	<b>105,197</b>	<b>245</b>	<b>111,724</b>
<b>On-financial reporting items, net</b>	<b>37,904</b>	<b>(24,473)</b>	<b>3,681</b>	<b>17,112</b>
<b>Off-financial reporting items</b>				
Avals to bill and guarantee on loan	-	-	(103)	(103)
Letters of credit	-	-	(372)	(372)
Other contingencies including derivatives	19,400	(19,372)	(4,129)	(4,101)

<sup>(1)</sup> Net of deferred revenue

## The Bank

31 December 2013

Floating interest rate	Fixed interest rate	Non interest bearing	Total
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(in million Baht)

**Financial assets**

Cash	-	-	403	403
Interbank and money market items, net	3	5,986	1,156	7,145
Investments, net	3,010	27,568	254	30,832
Loans to customers <sup>(1)</sup>	63,785	40,034	1,354	105,173
<b>Total financial assets</b>	<b>66,798</b>	<b>73,588</b>	<b>3,167</b>	<b>143,553</b>

**Financial liabilities****Deposits**

Interbank and money market items	6,406	77,068	261	83,735
Liabilities payable on demand	3,511	38,818	257	42,586
Debt issued and borrowings	-	-	15	15
	-	3,251	-	3,251

**Total financial liabilities**

	<b>9,917</b>	<b>119,137</b>	<b>533</b>	<b>129,587</b>
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**On-financial reporting items, net**

	<b>56,881</b>	<b>(45,549)</b>	<b>2,634</b>	<b>13,966</b>
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**Off-financial reporting items**

<b>Avals to bill and guarantee on loan</b>	-	-	(5,826)	(5,826)
Letters of credit	-	-	(228)	(228)
Other contingencies including derivatives	14,500	(14,556)	(6,096)	(6,152)

<sup>(1)</sup> Net of deferred revenue

## The Bank

31 December 2012

Floating interest rate	Fixed interest rate	Non interest bearing	Total
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(in million Baht)

**Financial assets**

Cash	-	-	368	368
Interbank and money market items, net	1	5,009	971	5,981
Investments, net	2,650	12,938	226	15,814
Loans to customers <sup>(1)</sup>	41,455	50,464	1,682	93,601
<b>Total financial assets</b>	<b>44,106</b>	<b>68,411</b>	<b>3,247</b>	<b>115,764</b>

**Financial liabilities****Deposits**

Interbank and money market items	3,402	63,625	181	67,208
Liabilities payable on demand	2,883	30,757	50	33,690
Debt issued and borrowings	-	-	14	14
	-	2,725	-	2,725

**Total financial liabilities**

	<b>6,285</b>	<b>97,107</b>	<b>245</b>	<b>103,637</b>
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**On-financial reporting items, net**

	<b>37,821</b>	<b>(28,696)</b>	<b>3,002</b>	<b>12,127</b>
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**Off-financial reporting items**

<b>Avals to bill and guarantee on loan</b>	-	-	(5,703)	(5,703)
Letters of credit	-	-	(372)	(372)
Other contingencies including derivatives	19,400	(19,372)	(4,129)	(4,101)

<sup>(1)</sup> Net of deferred revenue



## The Bank

31 December 2013

	Reprice within				Reprice over	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years	5 years			

(in million Baht)

<b>Financial asset</b>								
Cash	-	-	-	-	-	403	-	403
Interbank and money market items, net	3	3,392	2,594	-	-	1,156	-	7,145
Investment, net	-	12,293	6,842	9,972	1,471	254	-	30,832
Loans to customers <sup>(1)</sup>	9,518	76,403	11,305	6,576	17	-	1,354	105,173
<b>Total Financial assets</b>	<b>9,521</b>	<b>92,088</b>	<b>20,741</b>	<b>16,548</b>	<b>1,488</b>	<b>1,813</b>	<b>1,354</b>	<b>143,553</b>
<b>Financial liabilities</b>								
Deposits	16,060	56,224	10,344	846	-	261	-	83,735
Interbank and money market items	3,511	37,708	2	1,108	-	257	-	42,586
Liabilities payable on demand	-	-	-	-	-	15	-	15
Debt issued and borrowings	-	3,241	-	10	-	-	-	3,251
<b>Total Financial liabilities</b>	<b>19,571</b>	<b>97,173</b>	<b>10,346</b>	<b>1,964</b>	<b>-</b>	<b>533</b>	<b>-</b>	<b>129,587</b>
<b>On-financial reporting items, net</b>	<b>(10,050)</b>	<b>(5,085)</b>	<b>10,395</b>	<b>14,584</b>	<b>1,488</b>	<b>1,280</b>	<b>1,354</b>	<b>13,966</b>
<b>Off-financial reporting items</b>								
Avals to bill and guarantee on loan	-	-	-	-	-	(5,826)	-	(5,826)
Letters of credit	-	-	-	-	-	(228)	-	(228)
Other contingencies including derivatives	-	6,000	1,500	(7,556)	-	(6,096)	-	(6,152)

<sup>(1)</sup> Net of deferred revenue

## The Bank

31 December 2012

	Reprice within				Reprice over	Non interest bearing	Non performing loans	Total
	At call	1-3 months	3-12 months	1-5 years	5 years			

(in million Baht)

<b>Financial asset</b>								
Cash	-	-	-	-	-	368	-	368
Interbank and money market items, net	-	4,814	196	-	-	971	-	5,981
Investment, net	-	3,712	1,594	9,592	690	226	-	15,814
Loans to customers <sup>(1)</sup>	13,174	56,558	10,477	11,657	53	-	1,682	93,601
<b>Total Financial assets</b>	<b>13,174</b>	<b>65,084</b>	<b>12,267</b>	<b>21,249</b>	<b>743</b>	<b>1,565</b>	<b>1,682</b>	<b>115,764</b>
<b>Financial liabilities</b>								
Deposits	7,630	43,999	15,119	279	-	181	-	67,208
Interbank and money market items	2,883	29,787	52	918	-	50	-	33,690
Liabilities payable on demand	-	-	-	-	-	14	-	14
Debt issued and borrowings	14	544	1,214	953	-	-	-	2,725
<b>Total Financial liabilities</b>	<b>10,527</b>	<b>74,330</b>	<b>16,385</b>	<b>2,150</b>	<b>-</b>	<b>245</b>	<b>-</b>	<b>103,637</b>
<b>On-financial reporting items, net</b>	<b>2,647</b>	<b>(9,246)</b>	<b>(4,118)</b>	<b>19,099</b>	<b>743</b>	<b>1,320</b>	<b>1,682</b>	<b>12,127</b>
<b>Off-financial reporting items</b>								
Avals to bill and guarantee on loan	-	-	-	-	-	(5,703)	-	(5,703)
Letters of credit	-	-	-	-	-	(372)	-	(372)
Other contingencies including derivatives	-	9,600	1,700	(11,272)	-	(4,129)	-	(4,101)

<sup>(1)</sup> Net of deferred revenue

The average balances of the significant financial assets or liabilities of the Bank generating revenues or incurring expenses, calculated based on the average balances outstanding during the years, and the average interest rates for the years ended 31 December 2013 and 2012 can be summarized as follows:

	Consolidated					
	2013			2012		
	Average Balances	Interest	Average interest rate	Average Balances	Interest	Average interest rate
	(in million Baht)		(%)	(in million Baht)		(%)
<b>Interest-bearing financial assets</b>						
Interbank and money market items (Assets)	3,611	86	2.38	10,124	398	3.93
Investments	18,344	721	3.93	13,112	601	4.59
Loans to customers <sup>(2)</sup>	127,441	7,131	5.60	81,668	5,079	6.22
<b>Interest-bearing financial liabilities</b>						
Deposits	74,010	2,129 <sup>(1)</sup>	2.88	42,707	1,263 <sup>(1)</sup>	2.96
Interbank and money market items (Liabilities)	39,171	597	1.52	15,626	332	2.12
Debt issued and borrowings	18,321	676	3.69	31,364	1,032	3.29

<sup>(1)</sup> Excluding remittance and Bank Protection Act.

<sup>(2)</sup> Net of deferred revenue

	The Bank					
	2013			2012		
	Average Balances	Interest	Average interest rate	Average Balances	Interest	Average interest rate
	(in million Baht)		(%)	(in million Baht)		(%)
<b>Interest-bearing financial assets</b>						
Interbank and money market items (Assets)	3,455	86	2.49	10,010	398	3.98
Investments	18,344	721	3.93	13,112	601	4.58
Loans to customers <sup>(2)</sup>	103,562	4,726	4.56	74,016	3,714	5.02
<b>Interest-bearing financial liabilities</b>						
Deposits	74,603	2,129 <sup>(1)</sup>	2.85	42,709	1,263 <sup>(1)</sup>	2.96
Interbank and money market items (Liabilities)	36,294	479	1.32	14,318	279	1.95
Debt issued and borrowings	2,573	92	3.57	29,641	973	3.28

<sup>(1)</sup> Excluding remittance and Bank Protection Act.

<sup>(2)</sup> Net of deferred revenue

### *Liquidity risk*

Liquidity risk is the risk that the Bank will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Bank incurring a financial loss.

The Bank has established a liquidity management policy, to ensure that the Bank has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has the liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits. The liquidity management policy is approved by the Group Risk Management Committee, the Executive Committee and the Board of Directors, respectively.

To manage the Bank's liquidity, the Treasury Division projects funding demand and identifies appropriate sources of funds consistent with the Bank's business and strategic plans. For the purpose of liquidity risk management, the Bank has set risk limits, required liquidity ratios, and liquidity control procedures, and the liquidity gap and liquidity management's performance are reported to the Asset and Liability Committee (ALCO) on a monthly basis. Moreover, the Risk Management Division closely monitors risk to ensure it remains within the limits set, and reports to the Group Risk Management Committee on a regular basis.

Moreover, the Bank has also formulated the liquidity contingency plans to handle any potential liquidity problems. These plans designate working procedures and explicitly assign roles and responsibilities to the relevant parties.

The Asset and Liability Committee has the following roles and responsibilities:

1. Review and verify the validity of the assumptions used by the Treasury Division
2. Formulate strategies relating to the regular and daily liquidity management
3. Ensure that liquidity management is efficient and appropriate policies and procedures for liquidity risk are established
4. Set interest rate policy
5. Ensure that the Bank has adequate information systems to measure, monitor, control and report liquidity risk
6. Approve the limits for mismatches in sources and uses of fund
7. Diversify sources of funds
8. Verify the liquidity contingency plan

Group liquidity management is decentralized, with the subsidiary, ICBC (Thai) Leasing Co., Ltd. independently managing its own cash inflows and outflows. ICBC (Thai) Leasing Co., Ltd, sources funds mainly from the Bank, which will provide liquidity support, with the amount of funds based on Limited of Authority via the Board of Directors. Nevertheless, the Bank performs regular controlling and monitoring of the liquidity risk of its subsidiary and the subsidiary's liquidity gap is reported to the Asset and Liability Committee on a monthly basis.

The major uses of funds by the Bank are lending to corporate customers and investment in investment grade securities, but the Bank also designates limits to diversify the use of funds, such as limits on individual industries and lending limits for each individual. The Bank's main sources of funds are public deposits and borrowings. The Bank has set guidelines to reduce deposit concentrations, such as limits of the amount deposited per customer and limits of the amount deposited per corporate customer and per state enterprise.

The Bank has employed a conservative liquidity management policy, whereby it holds appropriate amounts of liquid assets, which can be easily converted into cash if liquidity problems arise. The Bank also maintains liquidity ratios in accordance with its expected liquidity requirement levels, for which there are three defined levels, depending on the economic, political and money market conditions. Such ratios are closely monitored on a daily basis.

The Bank generates reports and sets limits in liquidity management as follows:

1. Daily reports on the liquidity ratios used in determining the required amount of liquid assets, including liquid assets to total deposits ratio, liquid assets to top 20 large depositors ratio
2. Daily reports on amounts and types of liquid assets and their returns
3. Liquidity gap report, indicating expected cash inflows and outflows in different tenors, and cumulative net liquidity excess or shortfall, which reflects the period to maturity both on the basis of the contract and after behavioral adjustment. Liquidity gap reports are prepared on a monthly basis for normal circumstances and on a quarterly basis for crisis situations.
4. Monthly reports on liquidity ratios, to be used to provide indications of the Bank's liquidity and early warnings, including loan to deposit ratio, loan to asset ratio, investment to asset ratio, liquid asset to total asset ratio, liquid asset to short-term to 1-month deposit ratio, borrowing to total asset ratio, deposit to total asset ratio, proportion of large depositors to total deposits, maximum deposit withdrawal per day and rollover rate
5. Annual liquidity risk self assessment report
6. Monthly reports on any transactions or facilities exceeding approved limits
7. Monthly reports on the ratio of net liquidity deficit to deposits, the ratio of deposits from corporate customers and public enterprises and individual deposits.

The Bank also conducts stress tests on a quarterly basis, and regularly reviews the assumptions used to ensure they reflect current economic conditions, business strategies, and other relevant current and future factors. Stress test scenarios include a bank-specific crisis, a general market crisis and a combination of both scenarios that it is thought would have a severely adverse impact, and the Bank has prepared action plans to respond to the occurrence of such events. In addition, the Bank has prepared reports on its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), in accordance with the BOT's guideline.

Significant financial assets and liabilities are classified according to their contractual maturity as follows:

Consolidated								
31 December 2013								
	Maturity within					No maturity	Non performing assets	Total
	At call	0-3 Months	3-12 Months	1-5 years	Over 5 years			
<i>(in million Baht)</i>								
<b>Financial assets</b>								
Cash	-	-	-	-	-	404	-	404
Interbank and money market, net	1,463	3,381	2,596	-	-	14	-	7,454
Investments, net	-	11,601	6,253	11,252	1,472	254	-	30,832
Loans to customers <sup>(1)</sup>	121	22,657	32,770	70,285	9,364	-	2,746	137,943
<b>Total financial assets</b>	<b>1,584</b>	<b>37,639</b>	<b>41,619</b>	<b>81,537</b>	<b>10,836</b>	<b>672</b>	<b>2,746</b>	<b>176,633</b>
<b>Financial liabilities</b>								
Deposits	16,321	56,224	10,344	846	-	-	-	83,735
Interbank and money market	3,768	39,908	2	1,108	-	-	-	44,786
Liabilities payable on demand	15	-	-	-	-	-	-	15
Debt issued and borrowings	-	11,014	5,632	11,771	-	-	-	28,417
<b>Total financial liabilities</b>	<b>20,104</b>	<b>107,146</b>	<b>15,978</b>	<b>13,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156,953</b>
<b>On-financial reporting items, net</b>	<b>(18,520)</b>	<b>(69,507)</b>	<b>25,641</b>	<b>67,812</b>	<b>10,836</b>	<b>672</b>	<b>2,746</b>	<b>19,680</b>
<b>Off-financial reporting items</b>								
Avals to bill and guarantees on loans	-	(169)	(57)	-	-	-	-	(226)
Letters of credit	(36)	(187)	(5)	-	-	-	-	(228)
Other contingencies including derivatives	(19)	(666)	(4,292)	(732)	-	(443)	-	(6,152)
<sup>(1)</sup> Net of deferred revenue								

Consolidated								
31 December 2012								
	Maturity within					No maturity	Non performing assets	Total
	At call	0-3 Months	3-12 Months	1-5 years	Over 5 years			
<i>(in million Baht)</i>								
<b>Financial assets</b>								
Cash	-	-	-	-	-	369	-	369
Interbank and money market, net	1,152	4,799	198	-	-	-	-	6,149
Investments, net	-	1,066	1,903	11,929	690	226	-	15,814
Loans to customers <sup>(1)</sup>	584	17,120	28,781	49,562	8,185	-	2,272	106,504
<b>Total financial assets</b>	<b>1,736</b>	<b>22,985</b>	<b>30,882</b>	<b>61,491</b>	<b>8,875</b>	<b>595</b>	<b>2,272</b>	<b>128,836</b>
<b>Financial liabilities</b>								
Deposits	7,808	43,999	15,119	279	-	-	-	67,205
Interbank and money market	2,768	32,452	52	918	-	-	-	36,190
Liabilities payable on demand	14	-	-	-	-	-	-	14
Debt issued and borrowings	14	544	1,214	6,543	-	-	-	8,315
<b>Total financial liabilities</b>	<b>10,604</b>	<b>76,995</b>	<b>16,385</b>	<b>7,740</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111,724</b>
<b>On-financial reporting items, net</b>	<b>(8,868)</b>	<b>(54,010)</b>	<b>14,497</b>	<b>53,751</b>	<b>8,875</b>	<b>595</b>	<b>2,272</b>	<b>17,112</b>
<b>Off-financial reporting items</b>								
Avals to bill and guarantees on loans	(5)	(49)	(49)	-	-	-	-	(103)
Letters of credit	(31)	(341)	-	-	-	-	-	(372)
Other contingencies including derivatives	(753)	9,482	(286)	(12,510)	-	(34)	-	(4,101)
<sup>(1)</sup> Net of deferred revenue								

## The Bank

31 December 2013

	Maturity within					No maturity	Non performing assets	Total
	At call	0-3 Months	3-12 Months	1-5 years	Over 5 years			

(in million Baht)

<b>Financial assets</b>								
Cash	-	-	-	-	-	403	-	403
Interbank and money market, net	1,154	3,381	2,596	-	-	14	-	7,145
Investments, net	-	11,601	6,253	11,252	1,472	254	-	30,832
Loans to customers <sup>(1)</sup>	9,568	22,327	26,373	38,494	7,057	-	1,354	105,173
<b>Total financial assets</b>	<b>10,722</b>	<b>37,309</b>	<b>35,222</b>	<b>49,746</b>	<b>8,529</b>	<b>671</b>	<b>1,354</b>	<b>143,553</b>
<b>Financial liabilities</b>								
Deposits	16,321	56,224	10,344	846	-	-	-	83,735
Interbank and money market	3,768	37,708	2	1,108	-	-	-	42,586
Liabilities payable on demand	15	-	-	-	-	-	-	15
Debt issued and borrowings	-	3,241	-	10	-	-	-	3,251
<b>Total financial liabilities</b>	<b>20,104</b>	<b>97,173</b>	<b>10,346</b>	<b>1,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129,587</b>
On-financial reporting items, net	(9,382)	(59,864)	24,876	47,782	8,529	671	1,354	13,966
<b>Off-financial reporting items</b>								
Avals to bill and guarantees on loans	-	(169)	(57)	(5,600)	-	-	-	(5,826)
Letters of credit	(36)	(187)	(5)	-	-	-	-	(228)
Other contingencies including derivatives	(19)	(666)	(4,292)	(732)	-	(443)	-	(6,152)

<sup>(1)</sup> Net of deferred revenue

## The Bank

31 December 2012

	Maturity within					No maturity	Non performing assets	Total
	At call	0-3 Months	3-12 Months	1-5 years	Over 5 years			

(in million Baht)

<b>Financial assets</b>								
Cash	-	-	-	-	-	368	-	368
Interbank and money market, net	984	4,799	198	-	-	-	-	5,981
Investments, net	-	1,066	1,903	11,929	690	226	-	15,814
Loans to customers <sup>(1)</sup>	13,706	16,933	24,722	29,774	6,784	-	1,682	93,601
<b>Total financial assets</b>	<b>14,690</b>	<b>22,798</b>	<b>26,823</b>	<b>41,703</b>	<b>7,474</b>	<b>594</b>	<b>1,682</b>	<b>115,764</b>
<b>Financial liabilities</b>								
Deposits	7,811	43,999	15,119	279	-	-	-	67,208
Interbank and money market	2,768	29,952	52	918	-	-	-	33,690
Liabilities payable on demand	14	-	-	-	-	-	-	14
Debt issued and borrowings	14	544	1,214	953	-	-	-	2,725
<b>Total financial liabilities</b>	<b>10,607</b>	<b>74,495</b>	<b>16,385</b>	<b>2,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,637</b>
On-financial reporting items, net	4,083	(51,697)	10,438	39,553	7,474	594	1,682	12,127
<b>Off-financial reporting items</b>								
Avals to bill and guarantees on loans	(5)	(49)	(49)	(5,600)	-	-	-	(5,703)
Letters of credit	(31)	(341)	-	-	-	-	-	(372)
Other contingencies including derivatives	(753)	9,482	(286)	(12,510)	-	(34)	-	(4,101)

<sup>(1)</sup> Net of deferred revenue

### Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in changes in the value of financial instruments, and fluctuations in revenues or the values of financial assets and liabilities.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to hedge this foreign exchange exposure through management of its net foreign exchange position and operating in accordance with a risk management policy.

Significant foreign currency position can be summarized as follows:

	Consolidated					
	31 December 2013					
	US dollar	Renminbi	Yen	Euro	Others	Total
	(in million Baht)					
<b>Financial assets</b>						
Cash	-	80	-	-	-	80
Interbank and money market, net	1,344	2,607	1	1	6	3,959
Investments, net	9,890	2,918	-	-	-	12,808
Loans to customers <sup>(1)</sup>	37,688	123	-	47	-	37,858
<b>Total financial assets</b>	<b>48,922</b>	<b>5,728</b>	<b>1</b>	<b>48</b>	<b>6</b>	<b>54,705</b>
<b>Financial liabilities</b>						
Deposits	423	72	12	1	-	508
Interbank and money market	28,688	1	454	-	-	29,143
Liabilities payable on demand	-	-	-	-	-	-
Debt issued and borrowings	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>29,111</b>	<b>73</b>	<b>466</b>	<b>1</b>	<b>-</b>	<b>29,651</b>
<b>On-financial reporting items, net</b>	<b>19,811</b>	<b>5,655</b>	<b>(465)</b>	<b>47</b>	<b>6</b>	<b>25,054</b>
<b>Off-financial reporting items</b>						
Avals to bill and guarantee on loan	(2)	(216)	-	-	-	(218)
Letters of credit	(140)	(81)	(2)	(5)	-	(228)
Other contingencies including derivatives	(20,247)	(5,629)	466	(43)	-	(25,453)
Average exchange rate as at 31 December 2013 (Baht per 1 foreign currency unit)	32.8136	5.4087	0.313042	45.0217	1	

<sup>(1)</sup> Net of deferred revenue

## Consolidated

31 December 2012

US dollar	Renminbi	Yen	Euro	Others	Total
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*(in million Baht)***Financial assets**

Cash	-	36	-	-	-	36
Interbank and money market, net	1,631	1,526	-	4	5	3,166
Investments, net	8,166	-	-	-	-	8,166
Loans to customers <sup>(1)</sup>	19,421	574	-	16	-	20,011
<b>Total financial assets</b>	<b>29,218</b>	<b>2,136</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>31,379</b>

**Financial liabilities**

Deposits	439	58	13	2	-	512
Interbank and money market	15,326	-	514	-	-	15,840
Liabilities payable on demand	-	-	-	-	-	-
Debt issued and borrowings	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>15,765</b>	<b>58</b>	<b>527</b>	<b>2</b>	<b>-</b>	<b>16,352</b>

**On-financial reporting items, net**

<b>On-financial reporting items, net</b>	<b>13,453</b>	<b>2,078</b>	<b>(527)</b>	<b>18</b>	<b>5</b>	<b>15,027</b>
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**Off-financial reporting items**

Avals to bill and guarantee on loan	-	-	(98)	-	-	(98)
Letters of credit	(264)	(43)	(26)	(39)	-	(372)
Other contingencies including derivatives	(14,615)	(1,999)	507	(15)	-	(16,122)
Average exchange rate as at 31 December 2012 (Baht per 1 foreign currency unit)	30.6316	4.9164	0.3545	40.5563	1	

<sup>(1)</sup> Net of deferred revenue

## The Banks

31 December 2013

US dollar	Renminbi	Yen	Euro	Others	Total
--------------	----------	-----	------	--------	-------

(in million Baht)

*Financial assets*

Cash	-	80	-	-	-	80
Interbank and money market, net	1,344	2,607	1	1	6	3,959
Investments, net	9,890	2,918	-	-	-	12,808
Loans to customers <sup>(1)</sup>	37,688	123	-	47	-	37,858
<b>Total financial assets</b>	<b>48,922</b>	<b>5,728</b>	<b>1</b>	<b>48</b>	<b>6</b>	<b>54,705</b>

*Financial liabilities*

Deposits	423	72	12	1	-	508
Interbank and money market	28,688	1	454	-	-	29,143
Liabilities payable on demand	-	-	-	-	-	-
Debt issued and borrowings	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>29,111</b>	<b>73</b>	<b>466</b>	<b>1</b>	<b>-</b>	<b>29,651</b>

**On-financial reporting items, net**

	<b>19,811</b>	<b>5,655</b>	<b>(465)</b>	<b>47</b>	<b>6</b>	<b>25,054</b>
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**Off-financial reporting items**

Avals to bill and guarantee on loan	(2)	(216)	-	-	-	(218)
Letters of credit	(140)	(81)	(2)	(5)	-	(228)
Other contingencies including derivatives	(20,247)	(5,629)	466	(43)	-	(25,453)
Average exchange rate as at 31 December 2013 (Baht per 1 foreign currency unit)	32.8136	5.4087	0.313042	45.0217	1	

<sup>(1)</sup> Net of deferred revenue

## The Banks

31 December 2012

US dollar	Renminbi	Yen	Euro	Others	Total
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(in million Baht)

	US dollar	Renminbi	Yen	Euro	Others	Total
<b>Financial assets</b>						
Cash	-	36	-	-	-	36
Interbank and money market, net	1,631	1,526	-	4	5	3,166
Investments, net	8,166	-	-	-	-	8,166
Loans to customers <sup>(1)</sup>	19,421	574	-	16	-	20,011
<b>Total financial assets</b>	<b>29,218</b>	<b>2,136</b>	<b>-</b>	<b>20</b>	<b>5</b>	<b>31,379</b>
<b>Financial liabilities</b>						
Deposits	439	58	13	2	-	512
Interbank and money market	15,326	-	514	-	-	15,840
Liabilities payable on demand	-	-	-	-	-	-
Debt issued and borrowings	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>15,765</b>	<b>58</b>	<b>527</b>	<b>2</b>	<b>-</b>	<b>16,352</b>
<b>On-financial reporting items, net</b>	<b>13,453</b>	<b>2,078</b>	<b>(527)</b>	<b>18</b>	<b>5</b>	<b>15,027</b>
<b>Off-financial reporting items</b>						
Avals to bill and guarantee on loan	-	-	(98)	-	-	(98)
Letters of credit	(264)	(43)	(26)	(39)	-	(372)
Other contingencies including derivatives	(14,615)	(1,999)	507	(15)	-	(16,122)
Average exchange rate as at 31 December 2012 (Baht per 1 foreign currency unit)	30.6316	4.9164	0.3545	40.5563	1	

<sup>(1)</sup> Net of deferred revenue

### Derivatives

The Bank engages in derivatives activities as required in the normal course of business of the Bank to meet its clients' needs and to manage the risks of the Bank arising from fluctuations in foreign exchange rates and interest rates.

The Bank has a policy to mitigate risk associated with derivatives by stipulating policies and limits that require risk reporting and control procedures for the various types of risk, as a control over derivative activities. The Bank manages the credit risk associated with derivatives on the basis of the credit limits granted to customers in general. The same credit approval process that is used when granting loans to a customer is adopted for financial derivative customers, so that the Bank is able to maintain risk at acceptable levels.

The Bank has entered into interest rate swap contracts in order to manage risk associated with loans and investments, as follows:

	Consolidated and the Bank			
	31 December 2013		31 December 2012	
	Notional amount	Maturity	Notional amount	Maturity
	<i>(in million Baht)</i>			
<b>Interest rate swap contracts</b>				
Receive floating interest rates and pay fixed interest rates	14,750	2014-2016	20,150	2013-2015
Receive fixed interest rate and pay floating interest rate	250	2014	750	2013-2014

The Bank has entered into cross currency interest rate swap contracts in order to manage the risk associated with investments in foreign debt securities, as follows:

	Consolidated and the Bank			
	31 December 2013		31 December 2012	
	Notional amount	Maturity	Notional amount	Maturity
	<i>(in million Baht)</i>			
<b>Cross currency interest rate swap contract</b>				
Receive interest at a fixed rate on Baht notional amounts and to pay interest at a fixed rate on USD notional amounts	1,181	2015-2016	919	2015-2016

Financial derivatives, classified by their maturities, are as follows:

#### Consolidated and the Bank

31 December 2013			31 December 2012		
Not over 1 year	Over 1 year	Total	Not over 1 year	Over 1 year	Total

(in million Baht)

#### Forward exchange contracts

Bought	12,473	-	12,473	5,361	-	5,361
Sold	25,288	-	25,288	16,505	-	16,505

#### Interest rate swap contracts

	7,500	7,500	15,000	9,100	11,800	20,900
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#### Cross currency and interest rate swap contracts

Sold	-	1,181	1,181	-	919	919
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## 6. Fair value of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable and willing parties in an arm's length transaction by using quoted market prices or estimates using other valuation techniques.

A summary of book value and fair value of significant financial assets and liabilities are as follows:

#### Consolidated

31 December 2013		31 December 2012	
Book value	Fair value	Book value	Fair value

(in million Baht)

#### Financial assets

Cash	404	404	369	369
Interbank and money market items, net	7,454	7,454	6,149	6,149
Derivative assets	402	63	122	82
Investments, net	30,832	30,832	15,814	15,814
Loans to customers, net	134,733	134,181	104,548	104,538
<b>Total financial assets</b>	<b>173,825</b>	<b>172,934</b>	<b>127,002</b>	<b>126,952</b>

## Consolidated

	31 December 2013		31 December 2012	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
<b>Financial liabilities</b>				
Deposits	83,735	83,737	67,205	67,205
Interbank and money market items	44,786	44,786	36,190	36,190
Liabilities payable on demand	15	15	14	14
Derivative liabilities	1,131	895	129	112
Debt issued and borrowings	28,417	28,491	8,315	8,371
<b>Total financial liabilities</b>	<b>158,084</b>	<b>157,924</b>	<b>111,853</b>	<b>111,892</b>

## The Bank

	31 December 2013		31 December 2012	
	Book value	Fair value	Book value	Fair value
	<i>(in million Baht)</i>			
<b>Financial assets</b>				
Cash	403	403	368	368
Interbank and money market items, net	7,145	7,145	5,981	5,981
Derivative assets	402	63	122	82
Investments, net	30,832	30,832	15,814	15,814
Loans to customers, net	102,949	102,971	92,055	92,045
<b>Total financial assets</b>	<b>141,731</b>	<b>141,414</b>	<b>114,340</b>	<b>114,290</b>
<b>Financial liabilities</b>				
Deposits	83,735	83,737	67,208	67,208
Interbank and money market items	42,586	42,586	33,690	33,690
Liabilities payable on demand	15	15	14	14
Derivative liabilities	1,131	895	129	112
Debt issued and borrowings	3,251	3,251	2,725	2,733
<b>Total financial liabilities</b>	<b>130,718</b>	<b>130,484</b>	<b>103,766</b>	<b>103,757</b>

### Methods and assumptions in estimating fair values of financial instruments

The following methods and assumptions are used by the Bank in estimating fair market values of financial instruments as disclosed herein:

#### *Cash and interbank and money market items (Assets)*

The fair value of cash, short-term interbank and money market items and floating rate instruments is their carrying amounts presented in the statements of financial position. The estimated fair value of fixed interest bearing items is based on discounted cash flows using the prevailing money market rates on similar instruments.

#### *Available-for-sale securities and held-to-maturity debt instruments*

The fair value is based on quoted market prices, where available. If quoted market prices are not available, market value is based on quoted market prices of comparable instruments after adjustment for the risk involved or the net asset values of such securities.

#### *General investments*

The fair value of general investments is based on the carrying amount presented in the statements of financial position.

#### *Loans to customers*

For variable floating-rate loans to customers that reprice frequently and have no significant change in credit risk, fair value is based on carrying value. Fair value of fixed rate loans to customers that reprice within 1 year of the reporting date approximates the carrying value at the reporting date. Fair value for other fixed interest loans to customers is estimated using discounted cash flow analysis and using interest rates currently being offered for loans to customers with similar terms to borrowers of similar credit quality.

#### *Deposits*

The fair value disclosed for deposits which are payable on demand by the depositor is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money market accounts, certificates of deposit and fixed rate deposits repricing within 1 year approximate their market value at the reporting date. Fair value for other fixed interest deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on certificates to a schedule of aggregate expected monthly maturities on time deposits.

#### *Interbank and money market items (liabilities) and Debt issued and borrowings*

The fair value of interbank and money market items and debt issued and borrowings and/or items which bear variable rates of interest approximates their carrying amount at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments.

*Liabilities payable on demand*

The fair value of liabilities payable on demand approximates carrying amount.

*Derivatives*

The fair values of foreign exchange contracts, interest rate contracts and other contracts are determined by estimating the amount that would be paid or received to terminate the contract or replace them at their current market rates, and are disclosed in Note 9.

## 7. Maintenance of capital fund

The Bank and its subsidiary, which are financial institutions, are subject to various capital and regulatory requirements of the BoT. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiary must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory accounting practices. The Bank's and its subsidiary' capital amounts and classifications are also subject to qualitative judgments by the BoT as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the BoT.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. According to the Bank of Thailand's regulations, capital fund as at 8 November 2012 and 17 December 2012 and thereafter must be calculated according to Basel III. The Bank and financial group comply with the regulatory capital according to Basel III since 1 January 2013.

As at 31 December 2013, the Bank maintains its capital fund in accordance with Basel III and the Bank's total capital funds and capital ratio in accordance with Basel III can be categorised as follows:

<b>The Bank</b>	
<i>(in thousand Baht)</i>	
<b>Tier 1 capital</b>	
Common Equity Tier 1 (CET1)	
Issued and paid-up share capital	14,186,840
Legal reserve	200,000
Retained earning after appropriations	89,329
Other comprehensive income	95,302
Less Capital deduction items on CET1	(66,173)
<b>Total Tier 1 capital</b>	<b>14,505,298</b>
<b>Tier 2 capital</b>	
Allowance for classified assets of "pass" category and specific allowance	632,764
Capital deduction items on Tier 2 capital	(257,160)
<b>Total Tier 2 capital</b>	<b>375,604</b>
<b>Total capital funds</b>	<b>14,880,902</b>

	31 December 2013	
	The Bank	BOT Requirement
	(%)	
<b>Capital ratio</b>		
Tier 1 capital to total risk assets	13.32	6.00
Tier 1 common equity to total risk assets	13.32	4.50
Tier 2 capital to total risk assets	0.35	-
Total capital/Total risk assets	13.67	8.50

As Disclosures of capital maintenance information under the Notification of the Bank of Thailand, the Public Disclosures of Capital Maintenance for Commercial Banks in accordance with the BoT's directive number SOR NOR SOR 4/2556, dated 2 May 2013, the Bank has made the Disclosures of Capital Maintenance and Information security risks for the Bank and financial group as at 31 December 2012 in the Bank's website, [www.icbcthai.com](http://www.icbcthai.com), on 26 April 2013. The Bank will disclose the Capital Maintenance and Information security risks for the Bank and financial group at 31 December 2013 and within April 2014.

#### *Capital management*

The primary objectives of the Bank's capital management are to support business growth and to maintain a capital adequacy ratio and the credit rating.

## 8. Interbank and money market items, net (Assets)

	Consolidated					
	31 December 2013			31 December 2012		
	Demand	Time	Total	Demand	Time	Total
	<i>(in thousand Baht)</i>					
<b>Domestic items:</b>						
Bank of Thailand	846,620	-	846,620	767,116	-	767,116
Commercial Banks	330,236	-	330,236	213,834	600,000	813,834
Specialised financial institutions	5,361	1,450,000	1,455,361	1,951	1,400,000	1,401,951
Other financial institutions	13,779	854,400	868,179	48,262	-	48,262
<b>Total</b>	<b>1,195,996</b>	<b>2,304,400</b>	<b>3,500,396</b>	<b>1,031,163</b>	<b>2,000,000</b>	<b>3,031,163</b>
<i>Add</i> accrued interest receivables	111	1,358	1,469	91	-	91
<i>Less</i> allowance for doubtful accounts	-	(6,415)	(6,415)	-	(20,000)	(20,000)
<b>Total domestic items, net</b>	<b>1,196,107</b>	<b>2,299,343</b>	<b>3,495,450</b>	<b>1,031,254</b>	<b>1,980,000</b>	<b>3,011,254</b>
<b>Foreign items:</b>						
US Dollar	247,870	1,107,000	1,354,870	96,114	1,531,580	1,627,694
AUD	848	-	848	636	-	636
Renminbi	25,186	2,660,643	2,685,829	14,540	1,478,952	1,493,492
Euro	657	-	657	4,286	-	4,286
HKD	2,493	-	2,493	2,451	-	2,451
Other currencies	3,682	-	3,682	2,606	-	2,606
<b>Total</b>	<b>280,736</b>	<b>3,767,643</b>	<b>4,048,379</b>	<b>120,633</b>	<b>3,010,532</b>	<b>3,131,165</b>
<i>Add</i> accrued interest receivables	-	3,566	3,566	-	36,080	36,080
<i>Less</i> deferred revenue	-	(56,402)	(56,402)	-	-	-
<i>Less</i> allowance for doubtful accounts	-	(37,449)	(37,449)	-	(29,903)	(29,903)
<b>Total foreign items, net</b>	<b>280,736</b>	<b>3,677,358</b>	<b>3,958,094</b>	<b>120,633</b>	<b>3,016,709</b>	<b>3,137,342</b>
<b>Total domestic and foreign items, net</b>	<b>1,476,843</b>	<b>5,976,701</b>	<b>7,453,544</b>	<b>1,151,887</b>	<b>4,996,709</b>	<b>6,148,596</b>

## The Banks

31 December 2013

31 December 2012

Demand Time Total Demand Time Total

(in thousand Baht)

*Domestic items:*

Bank of Thailand	846,620	-	846,620	767,116	-	767,116
Commercial Banks	26,559	-	26,559	47,798	600,000	647,798
Specialised financial institutions	-	1,450,000	1,450,000	-	1,400,000	1,400,000
Other financial institutions	13,780	854,400	868,180	48,262	-	48,262
<b>Total</b>	<b>886,959</b>	<b>2,304,400</b>	<b>3,191,359</b>	<b>863,176</b>	<b>2,000,000</b>	<b>2,863,176</b>
Add accrued interest receivables	106	1,358	1,464	83	-	83
Less allowance for doubtful accounts	-	(6,415)	(6,415)	-	(20,000)	(20,000)
<b>Total domestic items, net</b>	<b>887,065</b>	<b>2,299,343</b>	<b>3,186,408</b>	<b>863,259</b>	<b>1,980,000</b>	<b>2,843,259</b>

*Foreign items:*

US Dollar	247,869	1,107,000	1,354,869	96,114	1,531,580	1,627,694
AUD	848	-	848	636	-	636
Renminbi	25,185	2,660,643	2,685,828	14,540	1,478,952	1,493,492
Euro	657	-	657	4,286	-	4,286
HKD	2,494	-	2,494	2,451	-	2,451
Other currencies	3,683	-	3,683	2,606	-	2,606
<b>Total</b>	<b>280,736</b>	<b>3,767,643</b>	<b>4,048,379</b>	<b>120,633</b>	<b>3,010,532</b>	<b>3,131,165</b>
Add accrued interest receivables	-	3,566	3,566	-	36,080	36,080
Less deferred revenue	-	(56,402)	(56,402)	-	-	-
Less allowance for doubtful accounts	-	(37,449)	(37,449)	-	(29,903)	(29,903)
<b>Total foreign items, net</b>	<b>280,736</b>	<b>3,677,358</b>	<b>3,958,094</b>	<b>120,633</b>	<b>3,016,709</b>	<b>3,137,342</b>
<b>Total domestic and foreign items, net</b>	<b>1,167,801</b>	<b>5,976,701</b>	<b>7,144,502</b>	<b>983,892</b>	<b>4,996,709</b>	<b>5,980,601</b>

## 9. Derivatives

### Trading book

The fair value and the notional amount classified by type of risk

Type of risk	Consolidated and The Bank					
	31 December 2013			31 December 2012		
	Fair value		Notional amount <sup>(1)</sup>	Fair value		Notional amount <sup>(1)</sup>
Assets	Liabilities	Assets		Liabilities		
	(in thousand Baht)					
Foreign exchange rates	169,350	153,168	1,642,326	31,471	29,184	5,822,671
<b>Total</b>	<b>169,350</b>	<b>153,168</b>	<b>1,642,326</b>	<b>31,471</b>	<b>29,184</b>	<b>5,822,671</b>

<sup>(1)</sup> Disclosed only in case that the Bank has the commitment on the payment side.

Proportion of derivative trading transaction classified by types of counterparty, determined on the basis of the notional amount

Counterparties	Consolidated and The Bank	
	31 December 2013	31 December 2012
	(%)	
Financial institutions	94.27	95.37
Corporations	5.73	4.63
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### Derivatives not entered for trading purposes

The Bank has commitments under forward foreign exchange contracts, interest rate swap contracts and cross currency and interest rates swap contracts, which are measured based on an accrual basis. The gains or losses on exchange as a result of translation to the reporting period-end rates under the accrual basis are recorded as a part of "Derivative assets" or "Derivative liabilities" in the statements of financial position and interest receivables or payables that are determined as they accrue based on the contracts as at the end of reporting period are recorded as a part of "Accrued income" or recorded as "Accrued interest payables", as the case may be, in the statements of financial position.

Type of risk	Consolidated and the Bank					
	31 December 2013			31 December 2012		
	Carrying value <sup>(2)</sup>		Notional amount <sup>(1)</sup>	Carrying value <sup>(2)</sup>		Notional amount <sup>(1)</sup>
Assets	Liabilities	Assets		Liabilities		
	<i>(in thousand Baht)</i>					
Foreign exchange rates	227,152	916,461	23,645,497	62,712	99,857	16,170,535
Interest rate	-	-	15,000,000	- <sup>(3)</sup>	- <sup>(3)</sup>	20,900,000
Cross currency	5,964	61,598	1,181,290	28,027 <sup>(3)</sup>	- <sup>(3)</sup>	918,948
<b>Total</b>	<b>233,116</b>	<b>978,059</b>	<b>39,826,787</b>	<b>90,739</b>	<b>99,857</b>	<b>37,989,483</b>

<sup>(1)</sup> Disclosed only in case that the Bank has the commitment on the payment side.

<sup>(2)</sup> Carrying value is the value determined based on an accrual basis as described in accounting policy regarding to derivatives for banking book.

<sup>(3)</sup> Not included interest receivables and payables, which are recorded as a part of "Accrued income" or recorded as "Accrued interest payables" in the statements of financial position, as the case maybe.

## 10. Investments, net

### 10.1 Classified by type of investments

	Consolidated and The Bank	
	31 December 2013	31 December 2012
	Fair value	
	<i>(in thousand Baht)</i>	
<b>Available-for-sale securities</b>		
Government and state enterprise securities	17,769,346	7,408,593
Foreign debt securities	12,719,010	8,084,193
Domestic equity securities	161,720	133,137
Investment in receivables	89,407	82,295
<b>Total</b>	<b>30,739,483</b>	<b>15,708,218</b>
<b>Held-to-maturity securities</b>		
	Cost/amortised cost	
Government and state enterprise securities	-	13,060
<b>Total</b>	<b>-</b>	<b>13,060</b>

	Consolidated and The Bank	
	31 December 2013	31 December 2012
	Fair value	
	(in thousand Baht)	
<b>General investments</b>		
Domestic non-marketable equity securities	100,622	104,716
Less allowance for impairment	(7,975)	(11,918)
<b>Net</b>	<b>92,647</b>	<b>92,798</b>
<b>Total investments, net</b>	<b>30,832,130</b>	<b>15,814,076</b>

As at 31 December 2013 Baht 3,815 million of the banking bond portfolio which are classified as available-for-sale securities, are pledged as security on a contract for repurchase agreements (31 December 2012, investment of the Bank and its subsidiary were not subject to any restriction on their holding and disposal).

#### 10.2 Classified by the remaining periods to maturity of the debt securities

	Consolidated and The Bank			
	31 December 2013			
	Periods to maturity			
	1 year	1-5 years	Over 5 years	Total
	(in thousand Baht)			
<b>Available-for-sale securities</b>				
Government and state enterprise securities	12,322,478	3,951,651	1,628,421	17,902,550
Foreign debt securities	5,405,870	7,050,750	-	12,456,620
Investment in receivables	89,407	-	-	89,407
<b>Total</b>	<b>17,817,755</b>	<b>11,002,401</b>	<b>1,628,421</b>	<b>30,448,577</b>
Add (less) allowance for revaluation	36,081	250,004	(156,899)	129,186
<b>Total available-for-sale securities</b>	<b>17,853,836</b>	<b>11,252,405</b>	<b>1,471,522</b>	<b>30,577,763</b>
<b>Total debt securities</b>	<b>17,853,836</b>	<b>11,252,405</b>	<b>1,471,522</b>	<b>30,577,763</b>

## Consolidated and The Bank

31 December 2012

Periods to maturity

	1 year	1-5 years	Over 5 years	Total
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(in thousand Baht)

**Available-for-sale securities**

Government and state enterprise securities	2,952,974	3,756,048	687,174	7,396,196
Foreign debt securities	-	7,831,207	-	7,831,207
Investment in receivables	-	82,295	-	82,295
<b>Total</b>	<b>2,952,974</b>	<b>11,669,550</b>	<b>687,174</b>	<b>15,309,698</b>
Add allowance for revaluation	3,140	259,216	3,027	265,383
<b>Total available-for-sale securities</b>	<b>2,956,114</b>	<b>11,928,766</b>	<b>690,201</b>	<b>15,575,081</b>
<b>Held-to-maturity securities</b>				
Government and state enterprise securities	13,060	-	-	13,060
<b>Total held-to-maturity securities</b>	<b>13,060</b>	<b>-</b>	<b>-</b>	<b>13,060</b>
<b>Total debt securities</b>	<b>2,969,174</b>	<b>11,928,766</b>	<b>690,201</b>	<b>15,588,141</b>

**10.3 Revaluation surplus on available-for-sale investments**

## Consolidated and The Bank

31 December 2013

31 December 2012

(in thousand Baht)

**Revaluation surplus on available-for-sale investments**

Debt securities	129,186	265,383
Equity securities	119,128	94,512
<b>Total</b>	<b>248,314</b>	<b>359,895</b>
Less deferred tax	(49,663)	(71,979)
<b>Total, net of deferred tax</b>	<b>198,651</b>	<b>287,916</b>

**10.4 Promissory notes from Thai Asset Management Corporation**

During 2001 to 2003, the Bank transferred non-performing loans to the Thai Asset Management Corporation ("TAMC") whereby TAMC issued non-transferable promissory notes for the value of the assets transferred. On the face of the notes indicated the amounts accounting to the transfer prices, the issuance dates (being the same as the transfer dates), and the maturity dates being 10 years after the issuance dates. The promissory notes are availed by the Financial Institutions Development Fund ("FIDF") and may be redeemed by TAMC prior to maturity.

As a result of transferring non-performing loans to TAMC, the Bank received promissory notes from TAMC of Baht 2,599 million, maturing from 31 October 2011 to 30 September 2013 in settlement for transfer prices of non-performing loans transferred, and the Bank classified such promissory notes as held-to-maturity debt securities. Up to 31 December 2013, TAMC has made full and final payment and redeemed promissory notes totaling Baht 2,599 million (31 December 2012: Baht 2,586 million).

On the last working day of each year, TAMC shall calculate interest based on a quarterly average deposit rate and pay interest on an annual basis at the end of every year.

The Bank is jointly responsible, together with TAMC, for future profit or loss sharing from TAMC's management of the non-performing loans.

- If there are profits, the first portion not exceeding 20 percent of the transfer price shall be equally shared between the Bank and TAMC. The second portion shall be fully given to the Bank; provided that, when added to the first portion, the sum shall not exceed the difference between the book value and the transfer price. Any remaining profits after the second portion shall be for TAMC.
- If there are losses, the first portion not exceeding 20 percent of the transfer price shall be borne solely by the Bank. The second portion remaining after the first portion that does not exceed 20 percent of transfer price shall be equally shared and borne between the Bank and TAMC. Any remaining losses after the second portion shall be borne by TAMC.

The Bank is still jointly liable for share of the profit or loss at the end of fifth and tenth years counting from 1 July 2001.

In 2013, the Bank was informed of its share of losses after completion of the remaining asset management process from TAMC, which was lower than the amount originally provided for. Accordingly, the Bank has reversed a provision for loss sharing amounting to Baht 177 million from Baht 222 million which has been presented as reversal of expense within other operating expenses. Further, the Bank also made a payment of Baht 23 million which has been reversed from the provision made.

Accordingly, as at 31 December 2013, the Bank has provision of Baht 22 million (31 December 2012: Baht 222 million), which is presented as a part of "Other provision".

During the year 2013, the Bank received further notification of its share of losses from TAMC indicating the amount could be at approximately Baht 43 million. However this share of losses is not final amount to be settled while the Bank is in the process of negotiations with the TAMC on this matter. Therefore the Bank has not made an additional provision.

For the years ended 31 December 2013 and 2012, the Bank recognised interest income on promissory notes from TAMC totaling Baht 0.1 million and Baht 0.6 million, respectively.

### 10.5 Investments in companies with holding of 10% and upwards

Investments in securities of which the Bank and its subsidiary hold 10% or more of the paid-up capital of the investee company (but not record these securities as investments in subsidiaries and associates), which is recorded as a part of general investments and classified as long-term investments, were as follows:

Consolidated and The Bank						
Company's name	Type of business	Type of securities held	Nature of relationship	31 December 2013		
				Ownership interest (%)	Paid-up capital (in thousand Baht)	Cost
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's director	10	200,000	20,390
<b>Total</b>						<b>20,390</b>

Consolidated and The Bank						
Company's name	Type of business	Type of securities held	Nature of relationship	31 December 2012		
				Ownership interest (%)	Paid-up capital (in thousand Baht)	Cost
Bangkok BTMU Company Limited	Lending and investment holding businesses	Ordinary shares	Related through the Bank's director	10	200,000	20,390
<b>Total</b>						<b>20,390</b>

### 10.6 Investments in companies with problems in their financial positions and operating results

	Consolidated and the Bank					
	31 December 2013			31 December 2012		
	Cost	Fair value	Allowance for impairment	Cost	Fair value	Allowance for impairment
Companies with problems in their financial positions and operating results	9,817	1,842	(7,975)	13,911	1,993	(11,918)

(in thousand Baht)

## 11. Investments in a subsidiary, net

Investments in a subsidiary as at 31 December 2013 and 2012, and dividend income from those investments for the years ended 31 December 2013 and 2012, were as follows:

Name of subsidiary	The Bank								
	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income	
		2013	2012	2013	2012	2013	2012	2013	2012
		(%)		(in million Baht)					
ICBC (Thai) Leasing Company Limited <sup>(1)</sup>	Finance lease and hire purchase	99.99	99.99	4,250	3,750	4,250	3,750	-	251

<sup>(1)</sup> The subsidiary is incorporated in Thailand.

## 12. Investment in an associate, net

Investment in associate as at 31 December 2013 and 2012, and dividend income from this investment for the years ended 31 December 2013 and 2012 were as follows:

Name of associate	Consolidated financial statements							
	31 December 2013							
	Type of business	Country of incorporation	Ownership interest	Paid-up capital	Cost	Equity	Fair value of listed securities	Dividend income
			(%)		(in million Baht)			
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	23.56	748	305	463	497	17
<b>Total</b>					<b>305</b>	<b>463</b>	<b>497</b>	<b>17</b>

## Consolidated financial statements

31 December 2012

Name of associate	Type of business	Country of incorporation	Ownership interest	Paid-up capital	Cost	Equity	Fair value of listed securities	Dividend income
Finansia Syrus Securities Public Company Limited	Securities business	Thailand	24.08	731	305	388	286	7
<b>Total</b>					<b>305</b>	<b>388</b>	<b>286</b>	<b>7</b>

The following summarised financial information on interests in equity-accounted investees which have been proportionately consolidated in the consolidated financial statements represents the Group's share:

31 December 2013

For the year ended 31 December 2013

Name of associate	Ownership interest	Total assets	Total liabilities	Total revenue	Total expenses	Net profit
Finansia Syrus Securities Public Company Limited	23.56	4,035	2,069	2,435	1,907	404

31 December 2012

For the year ended 31 December 2012

Name of associate	Ownership interest	Total assets	Total liabilities	Total revenue	Total expenses	Net profit
Finansia Syrus Securities Public Company Limited	24.08	4,206	2,519	1,812	1,567	182

## 13. Loans to customers and accrued interest receivables, net

### 13.1 Classified by types of loans

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Overdrafts	769,928	855,355	769,928	855,355
Loans	55,413,847	35,805,964	55,343,037	35,554,049
Notes receivable	29,182,699	25,760,910	49,059,699	57,192,910
Hire-purchase receivables	56,501,643	50,178,090	-	-
Finance leases receivables	4,246,432	621,146	-	-
Total loans to customers	146,114,549	113,221,465	105,172,664	93,602,314
Less deferred revenue	(8,171,356)	(6,717,030)	-	(779)
Total loans to customers, net of deferred revenue	137,943,193	106,504,435	105,172,664	93,601,535
Add accrued interest receivables	206,896	150,654	218,880	165,775
Total loans to customers, net of deferred revenue and accrued interest receivables	138,150,089	106,655,089	105,391,544	93,767,310
Less allowance for doubtful accounts				
- allowance established per BoT regulations	(1,527,493)	(962,753)	(954,025)	(942,938)
- allowance established in excess of BoT regulations	(1,870,268)	(1,120,329)	(1,469,442)	(745,872)
Less revaluation of allowance for debt restructuring	(19,461)	(23,997)	(19,461)	(23,997)
<b>Total</b>	<b>134,732,867</b>	<b>104,548,010</b>	<b>102,948,616</b>	<b>92,054,503</b>

## 13.2 Classified by currency and residential status of customers

## Consolidated

	31 December 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	100,085,163	-	100,085,163	86,492,436	-	86,492,436
US Dollar	7,892,287	29,795,617	37,687,904	1,285,808	18,135,480	19,421,288
Renminbi	12,926	110,243	123,169	574,237	-	574,237
Euro	46,842	-	46,842	16,430	-	16,430
Pound sterling	-	-	-	44	-	44
SG Dollar	115	-	115	-	-	-
<b>Total<sup>(1)</sup></b>	<b>108,037,333</b>	<b>29,905,860</b>	<b>137,943,193</b>	<b>88,368,955</b>	<b>18,135,480</b>	<b>106,504,435</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

## The Bank

	31 December 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	67,314,634	-	67,314,634	73,589,536	-	73,589,536
US Dollar	7,892,287	29,795,617	37,687,904	1,285,808	18,135,480	19,421,288
Renminbi	12,926	110,243	123,169	574,237	-	574,237
Euro	46,842	-	46,842	16,430	-	16,430
Pound sterling	-	-	-	44	-	44
SG Dollar	115	-	115	-	-	-
<b>Total<sup>(1)</sup></b>	<b>75,266,804</b>	<b>29,905,860</b>	<b>105,172,664</b>	<b>75,466,055</b>	<b>18,135,480</b>	<b>93,601,535</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

## 13.3 Classified by business types and loan classification

	Consolidated					
	31 December 2013					
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
	<i>(in thousand Baht)</i>					
Agriculture and mining	269,214	60,467	-	-	11,947	341,628
Manufacturing and commerce	52,288,822	431,856	-	1,567	782,461	53,504,706
Property development and construction	7,348,447	65,481	5,077	-	467,942	7,886,947
Infrastructure and services	19,465,584	291,928	-	-	64,079	19,821,591
Housing loans	30,292	6,198	-	2,505	1,489	40,484
Others	50,599,641	4,339,009	984,275	407,919	16,993	56,347,837
<b>Total<sup>(1)</sup></b>	<b>130,002,000</b>	<b>5,194,939</b>	<b>989,352</b>	<b>411,991</b>	<b>1,344,911</b>	<b>137,943,193</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

	Consolidated					
	31 December 2012					
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
	<i>(in thousand Baht)</i>					
Agriculture and mining	250,007	67,352	-	-	11,947	329,306
Manufacturing and commerce	35,072,964	372,979	516,703	30,461	415,297	36,408,404
Property development and construction	7,069,830	47,836	107,730	36,337	412,716	7,674,449
Infrastructure and services	13,860,899	287,087	64,514	-	64,215	14,276,715
Housing loans	40,287	12,048	2,878	512	2,397	58,122
Others	43,730,449	3,419,807	365,124	223,630	18,429	47,757,439
<b>Total<sup>(1)</sup></b>	<b>100,024,436</b>	<b>4,207,109</b>	<b>1,056,949</b>	<b>290,940</b>	<b>925,001</b>	<b>106,504,435</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

## The Bank

31 December 2013

	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
<i>(in thousand Baht)</i>						
Agriculture and mining	269,214	60,467	-	-	11,947	341,628
Manufacturing and commerce	72,095,183	431,856	-	1,567	782,461	73,311,067
Property development and construction	7,348,447	65,481	5,077	-	467,942	7,886,947
Infrastructure and services	19,465,584	291,928	-	-	64,079	19,821,591
Housing loans	30,292	6,198	-	2,505	1,489	40,484
Others	3,399,311	354,643	-	-	16,993	3,770,947
<b>Total<sup>(1)</sup></b>	<b>102,608,031</b>	<b>1,210,573</b>	<b>5,077</b>	<b>4,072</b>	<b>1,344,911</b>	<b>105,172,664</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

## The Bank

31 December 2012

	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
<i>(in thousand Baht)</i>						
Agriculture and mining	250,007	67,352	-	-	11,947	329,306
Manufacturing and commerce	66,253,049	372,979	516,703	30,461	415,297	67,588,489
Property development and construction	7,069,830	47,836	107,730	36,337	412,716	7,674,449
Infrastructure and services	13,860,899	287,087	64,514	-	64,215	14,276,715
Housing loans	40,287	12,048	2,878	512	2,397	58,122
Others	3,272,678	384,707	76	-	16,993	3,674,454
<b>Total<sup>(1)</sup></b>	<b>90,746,750</b>	<b>1,172,009</b>	<b>691,901</b>	<b>67,310</b>	<b>923,565</b>	<b>93,601,535</b>

<sup>(1)</sup> Total Loans to customers net of deferred revenues.

### 13.4 Loans classified by type of classification

Consolidated				
31 December 2013				
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
<i>(in thousand Baht)</i>				
<b>Minimum allowance as per BoT's Regulations.</b>				
Pass	130,200,893	45,522,740	1	455,227
Special mention	5,202,912	1,351,981	2	27,040
Substandard	989,382	484,206	100	484,206
Doubtful	411,991	212,109	100	212,109
Doubtful of loss	1,344,911	348,911	100	348,911
				1,527,493
Excess allowance				1,870,268
<b>Total</b>	<b>138,150,089</b>	<b>47,919,947</b>		<b>3,397,761</b>

<sup>(1)</sup> Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

Consolidated				
31 December 2012				
	Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
<i>(in thousand Baht)</i>				
<b>Minimum allowance as per BoT's Regulations.</b>				
Pass	100,162,551	34,234,148	1	342,341
Special mention	4,215,886	1,142,393	2	22,848
Substandard	1,060,578	408,584	100	408,584
Doubtful	290,940	130,229	100	130,229
Doubtful of loss	925,134	58,751	100	58,751
				962,753
Excess allowance				1,120,329
<b>Total</b>	<b>106,655,089</b>	<b>35,974,105</b>		<b>2,083,082</b>

<sup>(1)</sup> Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

## The Bank

31 December 2013

Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
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(in thousand Baht)

## Minimum allowance as per

## BoT's Regulations.

Pass	102,818,907	59,529,006	1	595,290
Special mention	1,218,547	412,874	2	8,257
Substandard	5,107	-	100	-
Doubtful	4,072	1,567	100	1,567
Doubtful of loss	1,344,911	348,911	100	348,911
				954,025
Excess allowance				1,469,442
<b>Total</b>	<b>105,391,544</b>	<b>60,292,358</b>		<b>2,423,467</b>

<sup>(1)</sup> Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

## The Bank

31 December 2012

Loans to customers and accrued interest receivables less deferred revenue	Net amount used to set the allowance for doubtful accounts <sup>(1)</sup>	Rate used for allowance for doubtful accounts (%)	Allowance for doubtful accounts
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(in thousand Baht)

## Minimum allowance as per

## BoT's Regulations.

Pass	90,899,986	61,412,943	1	614,129
Special mention	1,180,786	475,508	2	9,510
Substandard	695,530	239,460	100	239,460
Doubtful	67,310	21,707	100	21,707
Doubtful of loss	923,698	58,132	100	58,132
				942,938
Excess allowance				745,872
<b>Total</b>	<b>93,767,310</b>	<b>62,207,750</b>		<b>1,688,810</b>

<sup>(1)</sup> Net balance used in setting up allowance for doubtful accounts is (a) debt balances (excluding accrued interest receivable) and net of collateral in case of loans classified as "pass" and "special-mention" or (b) debt balances remaining after deducting the present value of expected future cash flows from debt collection or from collateral disposals in case of loans classified as "sub-standard", "doubtful" and "doubtful of loss".

### 13.5 Non-Performing Loans

As at 31 December 2013 and 2012, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful of loss and loss under the BoT's guideline. The amounts are as follows:

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	1,679,372	1,609,409	981,927	1,297,560
% of Non-Performing Loans to total loans (net)	1.18	1.45	0.89	1.32
Non-Performing Loans (gross)	2,746,255	2,272,888	1,354,061	1,682,775
% of Non-Performing Loans to total loans	1.91	2.04	1.22	1.71

### 13.6 Non-accrual loans

Non-accrual loans, gross, (including loans to financial institutions) as at 31 December 2013 and 2012 are as follows:

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Loans where recognition of income has been suspended (principal only)	2,741,178	1,662,912	1,348,984	1,072,798
% of loans where recognition of income has been suspended <sup>(1)</sup>	1.90	1.49	1.21	1.09

<sup>(1)</sup> The denominator base included interbank and money market items (loans).

The above loans for customers exclude overdue loans, which had been already restructured and qualified for classification as "Pass" or "Special-mention".

## 13.7 Loans to a subsidiary

Company's name	Types of loans	Maturity	Interest rate as at		Amounts principal outstanding	
			31 December 2013	31 December 2012	31 December 2013	31 December 2012
			(% per annum)		(in million Baht)	
ICBC (Thai) Leasing Company Limited	Revolving loan	At call	4.00	4.20	9,447	13,122
	Revolving loan	January 14–July 15 (31 December 2012 :January 14–July 15)	4.45–5.22	4.00–5.22	10,430	18,310
<b>Total</b>					<b>19,877</b>	<b>31,432</b>
Allowance for doubtful accounts					<b>1,008</b>	<b>574</b>

Allowance for doubtful accounts represents the minimum allowance required under BoT guidelines and an additional allowance of Baht 549 million (31 December 2012: Baht 260 million) recorded in the current period at the parent company level to account for expected losses arising in the hire purchase and finance lease receivable portfolio. In the consolidated accounts, the allowance for doubtful accounts is allocated against the hire purchase and finance lease receivable portfolio (Note 15).

## 13.8 Loans to companies having problems with financial position and operating results

	Consolidated and the Bank							
	31 December 2013				31 December 2012			
	No. of companies	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts	No. of companies	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
Listed companies identified for delisting/under rehabilitation	1	4	4	4	1	7	7	5

(in million Baht)

## 14. Troubled debt restructuring

During the years ended 31 December 2013 and 2012, details of restructured debts as at the date of restructuring, classified by the restructuring method were as follows:

	Consolidated and the Bank				
	Number of debtors during the year	31 December 2013 Outstanding balances during the year		Average period of the remaining term of debt restructuring	Loss on debt restructuring <sup>(1)</sup>
		before restructuring	after restructuring		
	(in million Baht)				
Changes of repayment conditions	17	489	489	7 year	7
	17	489	489		7
Loans and accrued interest receivables as at 31 December 2013	1,066		105,391		

	Consolidated and the Bank						
	Number of debtors during the year	31 December 2012 Outstanding balances		Average period of the remaining term of debt restructuring	Transferred assets		Loss on debt restructuring <sup>(1)</sup>
		before restructuring	after restructuring		Types of assets	Fair value	
	(in million Baht)						
Transfers of assets and changes of repayment conditions	1	9	-	-	Land and Buildings	9	9
Changes of repayment conditions	23	769	769	3 years	-	-	-
	24	778	769			9	9
Loans and accrued interest receivables as at 31 December 2012	753		93,768				

<sup>(1)</sup> Losses on debt restructuring are the amount before deducting allowance for doubtful already provided in the accounts on the restructuring date.

Additional information relating to restructuring debtors for the years ended 31 December 2013 and 2012 are as follows:

	Consolidated and the Bank	
	2013	2012
	(in million Baht)	
Interest income recognised in profit or loss	134	143
Cash collection from debtors		
Principle	436	254
Interest	117	168

As at 31 December 2013 and 2012, the Bank and its subsidiary have outstanding balances relating to restructured loans for the consolidated and the Bank's financial statement amounting to Baht 1,305 million and 1,699 million, respectively.

During the years ended 31 December 2013 and 2012 the Bank reversed allowance for revaluation on debt restructuring amounting to Baht 1.0 and 0.8 million respectively and amortised allowance for revaluation on debt restructuring as interest income for the years ended 31 December 2013 and 2012 totaling Baht 4.0 million and 2.7 million, respectively.

As at 31 December 2013 and 2012, the Bank has no commitment to additionally lend to its debtors after debt restructuring.

## 15. Hire purchase and finance lease receivables

As at 31 December 2013 and 2012, the subsidiary had net hire purchase and financial lease receivables, which the majority is hire purchase or finance lease contracts for motor vehicles, machinery and equipment for businesses. The average contract periods are 1 to 7 years and the interest rates are fixed as specified in the contracts.

	Consolidated				
	31 December 2013				
	Less than 1 year	1-5 years	Over 5 years	Non performing loan	Total
	<i>(in million Baht)</i>				
Total of gross investments in the lease	17,839	39,923	2,592	394	60,748
Less deferred revenue <sup>(1)</sup>	(3,182)	(4,646)	(266)	(77)	(8,171)
Present value of the lease payments	<b>14,657</b>	<b>35,277</b>	<b>2,326</b>	<b>317</b>	52,577
Allowance for doubtful accounts					1,982
Hire purchase and finance lease receivables, net					<b>50,595</b>

<sup>(1)</sup> Net of commission and initial direct expense incurred at the inception of contracts.

Allowance for doubtful accounts represents the minimum allowance required under BoT guidelines and an additional allowance of THB 433 million (31 December 2012: Baht 260 million) recorded in the current period at the parent company level to account for expected losses arising in the hire purchase and finance lease receivable portfolio.

	Consolidated				
	31 December 2012				
	Less than 1 year	1-5 years	Over 5 years	Non performing loan	Total
	<i>(in million Baht)</i>				
Total of gross investments in the lease	14,810	34,346	1,451	192	50,799
Less deferred revenue <sup>(1)</sup>	(2,689)	(3,949)	(43)	(36)	(6,717)
Present value of the lease payments	12,121	30,397	1,408	156	44,082
Allowance for doubtful accounts					968
Hire purchase and finance lease receivables, net					<b>43,114</b>

<sup>(1)</sup> Net of commission and initial direct expense incurred at the inception of contracts.

### 15.1 Classified by aging

As at 31 December 2013 and 2012, hire purchase and financial lease receivables are classified by the due date of the contracts as follows:

	Consolidated	
	31 December 2013	31 December 2012
	<i>(in million Baht)</i>	
Not yet due	47,200	40,458
Overdue:		
Not over than 90 days	3,985	3,035
91-180 days	984	365
181-365 days	408	223
More than 365 days	-	1
	<b>52,577</b>	<b>44,082</b>
Allowance for doubtful accounts	<b>1,982</b>	<b>968</b>

## 16. Allowance for doubtful accounts

## Consolidated

	31 December 2013					Allowance established in excess of BoT regulations	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
<i>(in thousand Baht)</i>							
Beginning balance	342,341	22,848	408,584	130,229	58,751	1,120,329	2,083,082
Bad debt and doubtful accounts	112,886	4,192	75,622	81,880	365,357	749,939	1,389,876
Bad debt written off	-	-	-	-	(75,197)	-	(75,197)
<b>Ending balance</b>	<b>455,227</b>	<b>27,040</b>	<b>484,206</b>	<b>212,109</b>	<b>348,911</b>	<b>1,870,268</b>	<b>3,397,761</b>

## Consolidated

	31 December 2012					Allowance established in excess of BoT regulations	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
<i>(in thousand Baht)</i>							
Beginning balance	258,331	13,681	345,574	193,069	2,913	383,114	1,196,682
Bad debt and doubtful accounts	84,010	9,167	63,010	(62,840)	503,710	727,215	1,324,272
Bad debt written off	-	-	-	-	(447,872)	-	(447,872)
Others	-	-	-	-	-	10,000	10,000
<b>Ending balance</b>	<b>342,341</b>	<b>22,848</b>	<b>408,584</b>	<b>130,229</b>	<b>58,751</b>	<b>1,120,329</b>	<b>2,083,082</b>

## The Bank

	31 December 2013					Allowance established in excess of BoT regulations	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
<i>(in thousand Baht)</i>							
Beginning balance	614,129	9,510	239,460	21,707	58,132	745,872	1,688,810
Bad debt and doubtful accounts	(18,839)	(1,253)	(239,460)	(20,140)	365,976	723,570	809,854
Bad debt written off	-	-	-	-	(75,197)	-	(75,197)
<b>Ending balance</b>	<b>595,290</b>	<b>8,257</b>	<b>-</b>	<b>1,567</b>	<b>348,911</b>	<b>1,469,442</b>	<b>2,423,467</b>

The Bank							
	31 December 2012					Allowance established in excess of BoT regulations	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
<i>(in thousand Baht)</i>							
Beginning balance	506,786	701	171,848	83,836	2,294	58,936	824,401
Bad debt and doubtful accounts	107,343	8,809	67,612	(62,129)	64,093	676,936	862,664
Bad debt written off	-	-	-	-	(8,255)	-	(8,255)
Others	-	-	-	-	-	10,000	10,000
<b>Ending balance</b>	<b>614,129</b>	<b>9,510</b>	<b>239,460</b>	<b>21,707</b>	<b>58,132</b>	<b>745,872</b>	<b>1,688,810</b>

## 17. Revaluation of allowance for debt restructuring

Consolidated and The Bank		
	31 December 2013	31 December 2012
<i>(in thousand Baht)</i>		
Beginning balance	23,997	12,386
(Decrease)/Increase during the year	(673)	14,265
Written off during the year	(3,863)	(2,654)
<b>Ending balance</b>	<b>19,461</b>	<b>23,997</b>

## 18. Properties foreclosed, net

The majority of properties foreclosed are from auction bidding and settlement of debts by the restructured debtors.

In cases where the debtors restructure their debts by means of a debt/asset swap, the Bank may grant buyback rights or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements.

The details of properties foreclosed are as follows:

### Consolidated

31 December 2013

Type of properties foreclosed	31 December 2013			Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	Beginning balance	Addition	Disposal		
<i>(in thousand Baht)</i>					
<b>Assets transferred in settlement of debts</b>					
Immovable properties					
- Internal appraisers	351,455	-	(23,215)	328,240	29,146
- External appraisers	812,299	-	(103,328)	708,971	-
Movable assets	138,743	1,440,736	(1,360,824)	218,655	-
<b>Total</b>	<b>1,302,497</b>	<b>1,440,736</b>	<b>(1,487,367)</b>	<b>1,255,866</b>	<b>29,146</b>
<b>Assets from auction bidding</b>					
Immovable properties					
- Internal appraisers	108,242	12,300	(85,344)	35,198	-
<b>Total</b>	<b>108,242</b>	<b>12,300</b>	<b>(85,344)</b>	<b>35,198</b>	<b>-</b>
<b>Total properties foreclosed</b>	<b>1,410,739</b>	<b>1,453,036</b>	<b>(1,572,711)</b>	<b>1,291,064</b>	<b>29,146</b>
Less allowance for impairment	(354,480)	(375,087)	426,386	(303,181)	(16,619)
<b>Total properties foreclosed, net</b>	<b>1,056,259</b>	<b>1,077,949</b>	<b>(1,146,325)</b>	<b>987,883</b>	<b>12,527</b>

### Consolidated

31 December 2012

Type of properties foreclosed	31 December 2012			Ending balance	Portion subject to disposal restrictions, buyback rights or first refusal rights
	Beginning balance	Addition	Disposal		
<i>(in thousand Baht)</i>					
<b>Assets transferred in settlement of debts</b>					
Immovable properties					
- Internal appraisers	394,857	9,000	(52,402)	351,455	29,146
- External appraisers	879,519	-	(67,220)	812,299	69,404
Movable assets	42,417	1,043,749	(947,423)	138,743	-
<b>Total</b>	<b>1,316,793</b>	<b>1,052,749</b>	<b>(1,067,045)</b>	<b>1,302,497</b>	<b>98,550</b>

<b>Consolidated</b>					
Type of properties foreclosed	31 December 2012				Portion subject to disposal restrictions, buyback rights or first refusal rights
	Beginning balance	Addition	Disposal	Ending balance	
<i>(in thousand Baht)</i>					
<b>Assets from auction bidding</b>					
Immovable properties					
- Internal appraisers	174,809	-	(66,567)	108,242	-
<b>Total</b>	<b>174,809</b>	<b>-</b>	<b>(66,567)</b>	<b>108,242</b>	<b>-</b>
<b>Total properties foreclosed</b>	<b>1,491,602</b>	<b>1,052,749</b>	<b>(1,133,612)</b>	<b>1,410,739</b>	<b>98,550</b>
Less allowance for impairment	(293,463)	(264,458)	203,441	(354,480)	(16,194)
<b>Total properties foreclosed, net</b>	<b>1,198,139</b>	<b>788,291</b>	<b>(930,171)</b>	<b>1,056,259</b>	<b>82,356</b>

<b>The Bank</b>					
Type of properties foreclosed	31 December 2013				Portion subject to disposal restrictions, buyback rights or first refusal rights
	Beginning balance	Addition	Disposal	Ending balance	
<i>(in thousand Baht)</i>					
<b>Assets transferred in settlement of debts</b>					
Immovable properties					
- Internal appraisers	351,455	-	(23,215)	328,240	29,146
- External appraisers	812,299	-	(103,328)	708,971	-
<b>Total</b>	<b>1,163,754</b>	<b>-</b>	<b>(126,543)</b>	<b>1,037,211</b>	<b>29,146</b>
<b>Assets from auction bidding</b>					
Immovable properties					
- Internal appraisers	108,242	12,300	(85,344)	35,198	-
<b>Total</b>	<b>108,242</b>	<b>12,300</b>	<b>(85,344)</b>	<b>35,198</b>	<b>-</b>
<b>Total properties foreclosed</b>	<b>1,271,996</b>	<b>12,300</b>	<b>(211,887)</b>	<b>1,072,409</b>	<b>29,146</b>
Less allowance for impairment	(318,745)	93,989	22,331	(202,425)	(16,619)
<b>Total properties foreclosed, net</b>	<b>953,251</b>	<b>106,289</b>	<b>(189,556)</b>	<b>869,984</b>	<b>12,527</b>

## The Bank

Type of properties foreclosed	31 December 2012				Portion subject to disposal restrictions, buyback rights or first refusal rights
	Beginning balance	Addition	Disposal	Ending balance	
<i>(in thousand Baht)</i>					
<b>Assets transferred in settlement of debts</b>					
Immovable properties					
- Internal appraisers	394,857	9,000	(52,402)	351,455	29,146
- External appraisers	879,519	-	(67,220)	812,299	69,404
<b>Total</b>	<b>1,274,376</b>	<b>9,000</b>	<b>(119,622)</b>	<b>1,163,754</b>	<b>98,550</b>
<b>Assets from auction bidding</b>					
Immovable properties					
- Internal appraisers	174,809	-	(66,567)	108,242	-
<b>Total</b>	<b>174,809</b>	<b>-</b>	<b>(66,567)</b>	<b>108,242</b>	<b>-</b>
<b>Total properties foreclosed</b>	<b>1,449,185</b>	<b>9,000</b>	<b>(186,189)</b>	<b>1,271,996</b>	<b>98,550</b>
Less allowance for impairment	(284,208)	(56,538)	22,001	(318,745)	(16,194)
<b>Total properties foreclosed, net</b>	<b>1,164,977</b>	<b>(47,538)</b>	<b>(164,188)</b>	<b>953,251</b>	<b>82,356</b>

## 19. Premises and equipment, net

## Consolidated

	Furniture, fixtures and office equipment				Total
	Land	Buildings	Motor vehicles		
<i>(in thousand Baht)</i>					
<b>Cost</b>					
At 1 January 2012	8,500	6,892	375,519	125,189	516,100
Additions	-	-	34,654	7,303	41,957
Transfers	-	-	102	-	102
Disposals/write-off	-	-	(2,822)	(14,257)	(17,079)
<b>At 31 December 2012 and 1 January 2013</b>	<b>8,500</b>	<b>6,892</b>	<b>407,453</b>	<b>118,235</b>	<b>541,080</b>
Additions	-	449	62,664	6,215	69,328
Transfers	-	3,783	(3,750)	-	33
Disposals/write-off	-	-	(8,669)	(7,542)	(16,211)
<b>At 31 December 2013</b>	<b>8,500</b>	<b>11,124</b>	<b>457,698</b>	<b>116,908</b>	<b>594,230</b>

	Consolidated				Total
	Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	
<i>(in thousand Baht)</i>					
<b>Accumulated depreciation</b>					
At 1 January 2012	-	(484)	(253,678)	(90,242)	(344,404)
Depreciation charge for the year	-	(202)	(32,974)	(15,133)	(48,309)
Disposals/write-off	-	-	2,283	13,191	15,474
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>(686)</b>	<b>(284,369)</b>	<b>(92,184)</b>	<b>(377,239)</b>
Depreciation charge for the year	-	(305)	(40,246)	(12,083)	(52,634)
Disposals/write-off	-	-	8,028	7,541	15,569
<b>At 31 December 2013</b>	<b>-</b>	<b>(991)</b>	<b>(316,587)</b>	<b>(96,726)</b>	<b>(414,304)</b>
<b>Allowance for impairment</b>					
At 1 January 2012	-	-	(283)	(213)	(496)
Reversal of impairment losses	-	-	283	213	496
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 January 2012	8,500	6,408	121,558	34,734	171,200
<b>At 31 December 2012 and 1 January 2013</b>	<b>8,500</b>	<b>6,206</b>	<b>123,084</b>	<b>26,051</b>	<b>163,841</b>
<b>At 31 December 2013</b>	<b>8,500</b>	<b>10,133</b>	<b>141,111</b>	<b>20,182</b>	<b>179,926</b>

As at 31 December 2013, the Bank and its subsidiary have motor vehicles acquired under financial leases with net book values amounting to Baht 12.7 million (31 December 2012: Baht 13.6 million)

The gross amount of the Bank and its subsidiary' fully depreciated premises and equipment that was still in use as at 31 December 2013 amounted to Baht 249.6 million (31 December 2012: Baht 424.4 million).

## The Bank

Land	Buildings	Furniture, fixtures and office equipment	Motor vehicles	Total
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(in thousand Baht)

<b>Cost</b>					
At 1 January 2012	8,500	6,892	326,246	109,222	450,860
Additions	-	-	13,857	-	13,857
Transfers	-	-	102	-	102
Disposals/write-off	-	-	(1,904)	(10,752)	(12,656)
<b>At 31 December 2012 and 1 January 2013</b>	<b>8,500</b>	<b>6,892</b>	<b>338,301</b>	<b>98,470</b>	<b>452,163</b>
Additions	-	449	23,024	-	23,473
Transfers	-	3,782	(3,782)	-	-
Disposal/write-off	-	-	-	(7,480)	(7,480)
<b>At 31 December 2013</b>	<b>8,500</b>	<b>11,123</b>	<b>357,543</b>	<b>90,990</b>	<b>468,156</b>
<b>Accumulated depreciation</b>					
At 1 January 2012	-	(484)	(226,275)	(79,942)	(306,701)
Depreciation charge for the year	-	(202)	(22,611)	(13,394)	(36,207)
Disposals/write-off	-	-	1,581	10,563	12,144
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>(686)</b>	<b>(247,305)</b>	<b>(82,773)</b>	<b>(330,764)</b>
Depreciation charge for the year	-	(305)	(22,865)	(8,373)	(31,543)
Disposal/write-off	-	-	-	7,480	7,480
<b>At 31 December 2013</b>	<b>-</b>	<b>(991)</b>	<b>(270,170)</b>	<b>(83,666)</b>	<b>(354,827)</b>
<b>Allowance for impairment</b>					
At 1 January 2012	-	-	(283)	(213)	(496)
Reversal of impairment losses	-	-	283	213	496
<b>At 31 December 2012 and 1 January 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>					
At 1 January 2012	8,500	6,408	99,688	29,067	143,663
<b>At 31 December 2012 and 1 January 2013</b>	<b>8,500</b>	<b>6,206</b>	<b>90,996</b>	<b>15,697</b>	<b>121,399</b>
<b>At 31 December 2013</b>	<b>8,500</b>	<b>10,132</b>	<b>87,373</b>	<b>7,324</b>	<b>113,329</b>

As at 31 December 2013, the Bank has motor vehicles acquired under financial leases with net book values amounting to Baht 2.7 million (31 December 2012: Baht 4.6 million)

The gross amount of the Bank's fully depreciated premises and equipment that was still in use as at 31 December 2013 amounted to Baht 229.6 million (31 December 2012: Baht 408.4 million).

## 20. Intangible assets, net

	<b>Consolidated</b>			
	Computer softwares	Computer softwares under development	Deferred license fee	Total
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January 2012	360,608	3,511	-	364,119
Addition	1,650	762	16,050	18,462
Transfers	3,630	(3,732)	-	(102)
<b>At 31 December 2012 and 1 January 2013</b>	<b>365,888</b>	<b>541</b>	<b>16,050</b>	<b>382,479</b>
Addition	4,674	899	10,700	16,273
Disposal	(17)	-	-	(17)
Transfers	325	(357)	-	(32)
<b>At 31 December 2013</b>	<b>370,870</b>	<b>1,083</b>	<b>26,750</b>	<b>398,703</b>
<b>Amortisation</b>				
At 1 January 2012	(274,121)	-	-	(274,121)
Amortisation for the year	(31,310)	-	(153)	(31,463)
<b>At 31 December 2012 and 1 January 2013</b>	<b>(305,431)</b>	<b>-</b>	<b>(153)</b>	<b>(305,584)</b>
Amortisation for the year	(18,018)	-	(2,675)	(20,693)
<b>At 31 December 2013</b>	<b>(323,449)</b>	<b>-</b>	<b>(2,828)</b>	<b>(326,277)</b>
<b>Net book value</b>				
At 1 January 2012	86,487	3,511	-	89,998
<b>At 31 December 2012 and 1 January 2013</b>	<b>60,457</b>	<b>541</b>	<b>15,897</b>	<b>76,895</b>
<b>At 31 December 2013</b>	<b>47,421</b>	<b>1,083</b>	<b>23,922</b>	<b>72,426</b>

<b>The Bank</b>				
	Computer softwares	Computer softwares under development	Deferred license fee	Total
<i>(in thousand Baht)</i>				
<b>Cost</b>				
At 1 January 2012	334,605	3,129	-	337,734
Addition	186	112	16,050	16,348
Transfers	3,140	(3,241)	-	(101)
<b>At 31 December 2012 and 1 January 2013</b>	<b>337,931</b>	<b>-</b>	<b>16,050</b>	<b>353,981</b>
Addition	3,856	-	10,700	14,556
<b>At 31 December 2013</b>	<b>341,787</b>	<b>-</b>	<b>26,750</b>	<b>368,537</b>
<b>Amortisation</b>				
At 1 January 2012	(261,439)	-	-	(261,439)
Amortisation for the year	(27,616)	-	(153)	(27,769)
<b>At 31 December 2012 and 1 January 2013</b>	<b>(289,055)</b>	<b>-</b>	<b>(153)</b>	<b>(289,208)</b>
Amortisation for the year	(14,190)	-	(2,674)	(16,864)
<b>At 31 December 2013</b>	<b>(303,245)</b>	<b>-</b>	<b>(2,827)</b>	<b>(306,072)</b>
<b>Net book value</b>				
At 1 January 2012	73,166	3,129	-	76,295
<b>At 31 December 2012 and 1 January 2013</b>	<b>48,876</b>	<b>-</b>	<b>15,897</b>	<b>64,773</b>
<b>At 31 December 2013</b>	<b>38,542</b>	<b>-</b>	<b>23,923</b>	<b>62,465</b>

## 21. Deferred tax

Deferred tax assets and liabilities were as follows:

<b>Consolidated</b>			
	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
<i>(in thousand Baht)</i>			
Deferred tax assets	590,268	428,649	346,089
Deferred tax liabilities	(230,608)	(212,533)	(124,530)
<b>Net</b>	<b>359,660</b>	<b>216,116</b>	<b>221,559</b>

	<b>The Bank</b>		
	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
	<i>(in thousand Baht)</i>		
Deferred tax assets	115,835	178,071	169,518
Deferred tax liabilities	(49,662)	(71,979)	(31,154)
<b>Net</b>	<b>66,173</b>	<b>106,092</b>	<b>138,364</b>

Movements in total deferred tax assets and liabilities during the years ended 31 December 2013 and 2012 were as follows:

	<b>Consolidated</b>			
	(Charged) / Credited to:			
	1 January 2013 (Restated)	Profit or loss	Other comprehensive income	31 December 2013
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Loans to customers and accrued interest receivables	119,132	122,206	-	241,338
Properties foreclosed	70,897	(10,260)	-	60,637
Other assets	141,955	84,620	-	226,575
Provisions	88,999	(35,839)	-	53,160
Other liabilities	7,666	892	-	8,558
<b>Total</b>	<b>428,649</b>	<b>161,619</b>	<b>-</b>	<b>590,268</b>
<b>Deferred tax liabilities</b>				
Investments	(71,979)	-	22,317	(49,662)
Investments in an associate	(8,327)	(7,505)	-	(15,832)
Loans to customers and accrued interest receivables	(126,026)	(31,538)	-	(157,564)
Debt issued and borrowings	(6,201)	(1,349)	-	(7,550)
<b>Total</b>	<b>(212,533)</b>	<b>(40,392)</b>	<b>22,317</b>	<b>(230,608)</b>
<b>Net</b>	<b>216,116</b>	<b>121,227</b>	<b>22,317</b>	<b>359,660</b>

	<b>Consolidated</b>			
	(Charged)/Credited to:			
	1 January 2012 (Restated)	Profit or loss	Other comprehensive income	31 December 2012 (Restated)
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Loans to customers and accrued interest receivables	120,228	(1,096)	-	119,132
Properties foreclosed	58,970	11,927	-	70,897
Other assets	73,629	68,326	-	141,955
Provisions	87,837	1,162	-	88,999
Other liabilities	5,425	2,241	-	7,666
<b>Total</b>	<b>346,089</b>	<b>82,560</b>	<b>-</b>	<b>428,649</b>
<b>Deferred tax liabilities</b>				
Investments	(31,154)	-	(40,825)	(71,979)
Investments in an associate	(4,589)	(3,738)	-	(8,327)
Loans to customers and accrued interest receivables	(88,787)	(37,239)	-	(126,026)
Debt issued and borrowings	-	(6,201)	-	(6,201)
<b>Total</b>	<b>(124,530)</b>	<b>(47,178)</b>	<b>(40,825)</b>	<b>(212,533)</b>
<b>Net</b>	<b>221,559</b>	<b>35,382</b>	<b>(40,825)</b>	<b>216,116</b>

	<b>The Bank</b>			
	(Charged)/Credited to:			
	1 January 2013 (Restated)	Profit or loss	Other comprehensive income	31 December 2012
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Loans to customers and accrued interest receivables	28,290	(1,650)	-	26,640
Properties foreclosed	63,749	(23,264)	-	40,485
Other assets	1,246	(396)	-	850
Provisions	84,402	(37,283)	-	47,119
Other liabilities	384	357	-	741
<b>Total</b>	<b>178,071</b>	<b>(62,236)</b>	<b>-</b>	<b>115,835</b>
<b>Deferred tax liabilities</b>				
Investments	(71,979)	-	22,317	(49,662)
<b>Total</b>	<b>(71,979)</b>	<b>-</b>	<b>22,317</b>	<b>(49,662)</b>
<b>Net</b>	<b>106,092</b>	<b>(62,236)</b>	<b>22,317</b>	<b>66,173</b>

	The Bank			31 December 2012 (Restated)
	1 January 2012 (Restated)	(Charged)/Credited to: Profit or loss	Other comprehensive income	
<i>(in thousand Baht)</i>				
<b>Deferred tax assets</b>				
Loans to customers and accrued interest receivables	26,672	1,618	-	28,290
Properties foreclosed	56,841	6,908	-	63,749
Other assets	1,600	(354)	-	1,246
Provisions	84,145	257	-	84,402
Other liabilities	260	124	-	384
<b>Total</b>	<b>169,518</b>	<b>8,553</b>	<b>-</b>	<b>178,071</b>
<b>Deferred tax liabilities</b>				
Investments	(31,154)	-	(40,825)	(71,979)
<b>Total</b>	<b>(31,154)</b>	<b>-</b>	<b>(40,825)</b>	<b>(71,979)</b>
<b>Net</b>	<b>138,364</b>	<b>8,553</b>	<b>(40,825)</b>	<b>106,092</b>

## 22. Other assets, net

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
<i>(in thousand Baht)</i>				
Prepaid expenses	13,037	14,481	9,536	10,718
Deposit	14,389	12,836	6,605	6,536
Advance	616	1,444	592	1,433
Others	2,721	2,404	1,738	1,798
<b>Total</b>	<b>30,763</b>	<b>31,165</b>	<b>18,471</b>	<b>20,485</b>

## 23. Classified assets

<b>Consolidated</b>					
31 December 2013					
	Loans to customers and accrued interest receivables <sup>(2)</sup>	Investments	Properties foreclosed	Other assets	Total
<i>(in million Baht)</i>					
Pass	136,213 <sup>(1)</sup>	-	-	-	136,213
Special mention	5,203	-	-	-	5,203
Substandard	989	-	-	-	989
Doubtful	412	-	-	-	412
Doubtful of loss	1,345	8	303	359	2,015
<b>Total</b>	<b>144,162</b>	<b>8</b>	<b>303</b>	<b>359</b>	<b>144,832</b>

<sup>(1)</sup> The classified debts include loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.

<sup>(2)</sup> Net of deferred revenue

<b>Consolidated</b>					
31 December 2012					
	Loans to customers and accrued interest receivables <sup>(2)</sup>	Investments	Properties foreclosed	Other assets	Total
<i>(in million Baht)</i>					
Pass	105,238 <sup>(1)</sup>	-	-	-	105,238
Special mention	4,216	-	-	-	4,216
Substandard	1,061	-	-	-	1,061
Doubtful	291	-	-	-	291
Doubtful of loss	925	12	354	185	1,476
<b>Total</b>	<b>111,731</b>	<b>12</b>	<b>354</b>	<b>185</b>	<b>112,282</b>

<sup>(1)</sup> The classified debts include loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.

<sup>(2)</sup> Net of deferred revenue

<b>The Bank</b>					
31 December 2013					
	Loans to customers and accrued interest receivables <sup>(2)</sup>	Investments	Properties foreclosed	Other assets	Total
<i>(in million Baht)</i>					
Pass	108,831 <sup>(1)</sup>	-	-	-	108,831
Special mention	1,219	-	-	-	1,219
Substandard	5	-	-	-	5
Doubtful	4	-	-	-	4
Doubtful of loss	1,345	8	202	4	1,559
<b>Total</b>	<b>111,404</b>	<b>8</b>	<b>202</b>	<b>4</b>	<b>111,618</b>

<sup>(1)</sup> The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.

<sup>(2)</sup> Net of deferred revenue

<b>The Bank</b>					
31 December 2012					
	Loans to customers and accrued interest receivables <sup>(2)</sup>	Investments	Properties foreclosed	Other assets	Total
<i>(in million Baht)</i>					
Pass	95,975 <sup>(1)</sup>	-	-	-	95,975
Special mention	1,181	-	-	-	1,181
Substandard	696	-	-	-	696
Doubtful	67	-	-	-	67
Doubtful of loss	924	12	319	6	1,261
<b>Total</b>	<b>98,843</b>	<b>12</b>	<b>319</b>	<b>6</b>	<b>99,180</b>

<sup>(1)</sup> The classified debts included loans to the financial institutions, which are presented as a part of "interbank and money market items" (assets) in the statements of financial position.

<sup>(2)</sup> Net of deferred revenue

## 24. Deposits

### 24.1 Classified by product

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Demand	11,641,694	5,798,018	11,641,829	5,799,633
Savings	4,652,953	2,009,863	4,652,992	2,011,195
Fixed				
- Less than 6 months	49,386,784	33,886,182	49,386,784	33,886,182
- 6 months and less than 1 year	9,716,969	18,999,612	9,716,969	18,999,612
- Over 1 year	8,336,409	6,511,440	8,336,409	6,511,440
<b>Total</b>	<b>83,734,809</b>	<b>67,205,115</b>	<b>83,734,983</b>	<b>67,208,062</b>

### 24.2 Classified by currency and residence of customer

	Consolidated					
	31 December 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	82,376,787	850,289	83,227,076	66,167,732	524,564	66,692,296
US Dollar	419,541	3,897	423,438	423,995	15,505	439,500
Other currencies	49,008	35,287	84,295	51,968	21,351	73,319
<b>Total</b>	<b>82,845,336</b>	<b>889,473</b>	<b>83,734,809</b>	<b>66,643,695</b>	<b>561,420</b>	<b>67,205,115</b>

## The Bank

	31 December 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in thousand Baht)</i>					
Baht	82,376,961	850,289	83,227,250	66,170,679	524,564	66,695,243
US Dollar	419,541	3,897	423,438	423,995	15,505	439,500
Other currencies	49,008	35,287	84,295	51,968	21,351	73,319
<b>Total</b>	<b>82,845,510</b>	<b>889,473</b>	<b>83,734,983</b>	<b>66,646,642</b>	<b>561,420</b>	<b>67,208,062</b>

## 25. Interbank and money market items (Liabilities)

## Consolidated

	31 December 2013			31 December 2012		
	Demand	Time	Total	Demand	Time	Total
	<i>(in thousand Baht)</i>					
<b>Domestic items:</b>						
Bank of Thailand	-	1,107,996	1,107,996	-	918,003	918,003
Commercial banks	540	5,600,000	5,600,540	35	13,394,069	13,394,104
Other financial institutions	3,545,552	5,622,188	9,167,740	2,883,581	3,629,034	6,512,615
<b>Total domestic items</b>	<b>3,546,092</b>	<b>12,330,184</b>	<b>15,876,276</b>	<b>2,883,616</b>	<b>17,941,106</b>	<b>20,824,722</b>
<b>Foreign items:</b>						
US Dollar	-	28,687,857	28,687,857	-	15,315,800	15,315,800
Thai Baht	221,634	-	221,634	49,505	-	49,505
<b>Total foreign items</b>	<b>221,634</b>	<b>28,687,857</b>	<b>28,909,491</b>	<b>49,505</b>	<b>15,315,800</b>	<b>15,365,305</b>
<b>Total domestic and foreign items</b>	<b>3,767,726</b>	<b>41,018,041</b>	<b>44,785,767</b>	<b>2,933,121</b>	<b>33,256,906</b>	<b>36,190,027</b>

## The Bank

	31 December 2013			31 December 2012		
	Demand	Time	Total	Demand	Time	Total
<i>(in thousand Baht)</i>						
<b>Domestic items:</b>						
Bank of Thailand	-	1,107,996	1,107,996	-	918,003	918,003
Commercial banks	540	3,400,000	3,400,540	35	10,894,069	10,894,104
Other financial institutions	3,545,552	5,622,188	9,167,740	2,883,581	3,629,034	6,512,615
<b>Total domestic items</b>	<b>3,546,092</b>	<b>10,130,184</b>	<b>13,676,276</b>	<b>2,883,616</b>	<b>15,441,106</b>	<b>18,324,722</b>
<b>Foreign items:</b>						
US Dollar	-	28,687,857	28,687,857	-	15,315,800	15,315,800
Thai Baht	221,634	-	221,634	49,505	-	49,505
<b>Total foreign items</b>	<b>221,634</b>	<b>28,687,857</b>	<b>28,909,491</b>	<b>49,505</b>	<b>15,315,800</b>	<b>15,365,305</b>
<b>Total domestic and foreign items</b>	<b>3,767,726</b>	<b>38,818,041</b>	<b>42,585,767</b>	<b>2,933,121</b>	<b>30,756,906</b>	<b>33,690,027</b>

## 26. Debt issued and borrowings

As at 31 December 2013 and 2012, debt issued and borrowings which were dominated entirely in Thai Baht consist of the following:

## Consolidated

	31 December 2013			31 December 2012		
	Maturity dates	Interest rate	Amount	Maturity dates	Interest rate	Amount
		(%)	<i>(in thousand Baht)</i>		(%)	<i>(in thousand Baht)</i>
Bills of Exchange	2014-2015	2.53-3.75	2,650,838	2012-2015	2.25-4.20	1,496,123
Secured debentures	2014-2015	3.79-3.98	5,597,732	2014-2015	3.79-3.98	5,589,992
Unsecured debentures	2014-2017	2.80-4.50	20,168,807	2013-2014	3.78	1,229,253
<b>Total</b>			<b>28,417,377</b>			<b>8,315,368</b>

## The Bank

	31 December 2013			31 December 2012		
	Maturity dates	Interest rate	Amount	Maturity dates	Interest rate	Amount
		(%)	<i>(in thousand Baht)</i>		(%)	<i>(in thousand Baht)</i>
Bills of Exchange	2014-2015	2.53-3.75	2,650,838	2012-2015	2.25-4.20	1,496,123
Unsecured debentures	2014	3.78	599,982	2013-2014	3.78	1,229,253
<b>Total</b>			<b>3,250,820</b>			<b>2,725,376</b>

## 27. Employee benefit obligations

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in million Baht)</i>			
<b>Statement of financial position obligations for:</b>				
Post-employment benefits	133	116	103	93

<i>For the year ended 31 December</i>	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Statement of comprehensive income:</b>				
Recognised in profit or loss:				
Post-employment benefits	22	8	15	4

The Bank and its subsidiary operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

Obligation under the statement of financial position can be summarized as follow:

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in million Baht)</i>			
Present value of unfunded obligations	133	116	103	93
<b>Statement of financial position obligations</b>	<b>133</b>	<b>116</b>	<b>103</b>	<b>93</b>

Movement in the present value of the defined benefit obligations for the years 31 December 2013 and 2012:

	Consolidated		The Bank	
	2013	2012	2013	2012
	(in million Baht)			
Defined benefit obligations at the beginning of the year	116	113	93	94
Benefits paid by the plan	(5)	(5)	(5)	(5)
Current service costs and interest	29	27	21	21
Actuarial gains	(7)	(19)	(6)	(17)
<b>Defined benefit obligations at the end of the year</b>	<b>133</b>	<b>116</b>	<b>103</b>	<b>93</b>

Expense recognised in the statement of comprehensive income

<i>For the year ended 31 December</i>	Consolidated		The Bank	
	2013	2012	2013	2012
	(in million Baht)			
Employee expense				
Current service costs	25	22	18	17
Interest on obligation	4	5	3	4
Actuarial gains	(7)	(19)	(6)	(17)
<b>Total</b>	<b>22</b>	<b>8</b>	<b>15</b>	<b>4</b>

The principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated and The Bank	
	31 December 2013	31 December 2012
	(%)	
Discount rate	3.60	3.35
Future salary increases	6	6
Staff turnover rate	0-19	0-19

Assumptions regarding future mortality are based on published statistics and mortality tables

	Consolidated			
	2013	2012	2011	2010
	<i>(in million Baht)</i>			
Present value of long-term Employee benefit obligation	133	116	113	92

	The Bank			
	2013	2012	2011	2010
	<i>(in million Baht)</i>			
Present value of long-term Employee benefit obligation	103	93	94	80

## 28. Other provisions

	Consolidated and The Bank			
	Share losses from management of non-performing loans	Loss from lawsuit	Others	Total
	<i>(in thousand Baht)</i>			
At 1 January 2012	222,000	102,950	1,100	326,050
Provisions made	-	3,750	-	3,750
Provisions reversed	-	-	(1,100)	(1,100)
<b>At 31 December 2012 and 1 January 2013</b>	<b>222,000</b>	<b>106,700</b>	<b>-</b>	<b>328,700</b>
Provisions made	-	3,750	-	3,750
Provisions reversed	(176,591)	-	-	(176,591)
Payment made	(23,409)	-	-	(23,409)
<b>At 31 December 2013</b>	<b>22,000</b>	<b>110,450</b>	<b>-</b>	<b>132,450</b>

## 29. Other liabilities

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Other payables	620,464	782,980	161,997	109,203
Cash received in advance	85,512	136,232	9,914	136,232
Accrued expenses	385,322	410,580	351,575	323,567
Withholding tax payable	14,174	17,128	11,633	13,399
Special business tax payable	19,281	15,493	19,281	15,493
Payables under finance lease contracts	12,565	12,006	958	3,786
Corporate income tax payable	221,429	57,613	161,686	12,112
Others	134,685	82,108	100,000	43,675
<b>Total</b>	<b>1,493,432</b>	<b>1,514,140</b>	<b>817,044</b>	<b>657,467</b>

## 30. Share capital

	31 December 2013			31 December 2012	
	Par value per share <i>(in Baht)</i>	Number <i>(thousand shares)</i>	Amount <i>(in thousand Baht)</i>	Number <i>(thousand shares)</i>	Amount <i>(in thousand Baht)</i>
<b>Registered</b>					
<b>Ordinary shares</b>					
At the beginning of the year	10	1,590,002	14,182,817	1,590,002	15,900,018
- ordinary shares					
Reduction in par value					
- from Baht 10 to Baht 8.92		-	-	-	(1,717,201)
<b>Ordinary shares at the end of the year</b>	<b>8.92</b>	<b>1,590,002</b>	<b>14,182,817</b>	<b>1,590,002</b>	<b>14,182,817</b>
<b>Preference shares</b>					
At the beginning of the year	10	451	4,023	451	4,511
- preference shares					
Reduction in par value					
- from Baht 10 to Baht 8.92		-	-	-	(488)
<b>Preference shares at the end of the year</b>	<b>8.92</b>	<b>451</b>	<b>4,023</b>	<b>451</b>	<b>4,023</b>
<b>Issued and paid-up</b>					
<b>Ordinary shares</b>					
At the beginning of the year	10	1,590,002	14,182,817	1,590,002	15,900,018
- ordinary shares					
Reduction in par value					
- from Baht 10 to Baht 8.92		-	-	-	(1,717,201)
<b>Ordinary shares at the end of the year</b>	<b>8.92</b>	<b>1,590,002</b>	<b>14,182,817</b>	<b>1,590,002</b>	<b>14,182,817</b>
<b>Preference shares</b>					
At the beginning of the year	10	451	4,023	451	4,511
- preference shares					
Reduction in par value					
- from Baht 10 to Baht 8.92		-	-	-	(488)
<b>Preference shares at the end of the year</b>	<b>8.92</b>	<b>451</b>	<b>4,023</b>	<b>451</b>	<b>4,023</b>

Preference shares of the Bank are divided into Class A and Class B shares, both of which are non-cumulative dividend-paying shares. Holders of Class B preference shares are entitled to preferential receipt of dividends and return of capital over holders of Class A preference shares and ordinary shares. If the Bank reduces its capital as a result of operating losses on assets held prior to the injection of capital funds by the Ministry of Finance, the Bank is to reduce the capital of the ordinary shares and the Class A preference shares first, to the extent that this does not exceed the accumulated loss as at the date that the Ministry of Finance injected funds plus any subsequent losses on the assets held prior to that date. If the Bank reduces capital as a result of operating losses on assets acquired after the Ministry of Finance injected funds, the Bank is to reduce the capital of the ordinary shares first and then the Class A preference shares and Class B preference shares proportionately. All preference shares had a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders has been the same as those of the ordinary shareholders since then.

Holders of both classes of preference shares are entitled to convert the shares they hold into ordinary shares, with the conversion ratio of 1:1. All Class A preference shares were already converted into ordinary shares before the year 2010 and the Class B preference shareholders are still entitled to convert the remaining Class B preference shares into ordinary shares.

On 14 November 2012, the Bank was granted permission from the Bank of Thailand to decrease the Bank's registered and paid-up share capital. On 19 November 2012, the Bank's Extraordinary General Meeting No. 1/2012 of Shareholders resolved to approve the reduction of the Bank's registered and paid-up share capital by means of decreasing the par value per share from Baht 10 to Baht 8.92, resulting in the decrease in its registered and paid-up share capital from Baht 15,904,529,450 to Baht 14,186,840,269. The decrease of its registered and paid-up capital of Baht 1,717,689,181 had been made against the Bank's deficit.

The Bank also registered the reductions in its registered capital, its paid-up capital and its par value with the Ministry of Commerce on 30 November 2012.

The holders of ordinary shares and preferred shares are entitled to receive dividends as declared, and are entitled to one vote per share at the shareholders' meeting of the Bank.

## 31. Reserves

Reserves comprise:

*Appropriations of profit and/or retained earnings*

### Legal reserve

Pursuant to Section 116 of the Public Companies Act B.E. 2535, the Bank is required to allocate not less than 5% of its annual net profit, less any accumulated deficit brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

On 29 April 2013, the Annual General Meeting of Shareholders No.20/2013 resolved to approve the appropriation of Baht 100 million to a legal reserve from profit for the year 2012.

*Other components of equity*

### Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

## 32. Other components of equity

	Consolidated and The Bank		
	For the year ended 31 December 2013	For the year ended 31 December 2012 (Restated)	For the year ended 31 December 2011 (Restated)
	<i>(in thousand Baht)</i>		
Balance at the beginning of the year	287,916	124,616	131,662
Net change in fair value recognized in equity, net of tax	(89,265)	162,813	(11,454)
Net change in fair value transferred to profit or loss, net of tax	-	487	4,408
<b>Balance at the ending of the year</b>	<b>198,651</b>	<b>287,916</b>	<b>124,616</b>

## 33. Contingent liabilities and Commitments

### 33.1 Commitments

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in million Baht)</i>			
Avals to bills and Guarantees of loans	226	103	5,826	5,703
Letter of credit	228	372	228	372
Other contingencies				
- Forward exchange contracts-bought	12,473	5,361	12,473	5,361
- Forward exchange contracts-sold	25,288	16,505	25,288	16,505
- Interest rate swap contracts	15,000	20,900	15,000	20,900
- Cross currency and interest rate swap contracts				
Sold contracts	1,181	919	1,181	919
- Undrawn committed line	2,428	2,712	2,428	2,712
- Others	3,030	1,393	3,030	1,393
<b>Total</b>	<b>59,854</b>	<b>48,265</b>	<b>65,454</b>	<b>53,865</b>

### 33.2 Contingent liabilities from litigations

On 21 October 1999, the Bank was sued by a provident fund claiming compensation of Baht 220 million (an unrealized loss from investment) plus accrued interest of Baht 23 million (calculated from the default date to the filing date) on the grounds that the Bank had breached an agreement dated 8 June 1995, under which the Bank was appointed as the provident fund manager. On 31 January 2003, the Court of First Instance dismissed the plaintiff's case. On 27 February 2007, the Appeal Court overturned this decision and the Bank was ordered to pay the plaintiff Baht 50 million plus interest at 7.5 percent per annum counting from 11 June 1998. The Bank does not agree with the Appeal Court's decision and has appointed a law firm to lodge an appeal with the Supreme Court. The case is currently being considered by the Supreme Court. However, as at 31 December 2013 and 2012, the Bank has created a provision of Baht 109 million and Baht 105 million, respectively.

In September 2010, the Bank and a real estate development company, which had transferred assets to the Bank to settle debt, were ordered by the Court of First Instance to jointly return house booking deposits amounting to Baht 1.7 million plus interest at 7.5 percent per annum to 3 homebuyers, who had lodged complaints via Office of the Consumer Protection Board. The Bank disagreed with the order and lodged an appeal with the Appeal Court. Later, on 18 January 2012, the Appeal Court overturned the decision, and dismissed the plaintiff's case. The plaintiff did not agree with the Appeal Court's decision, and submitted a petition to the Supreme Court. The case is currently being considered by the Supreme Court. However, as at 31 December 2013 and 2012, the Bank has recorded a provision of Baht 1.7 million.

As at 31 December 2013 and 2012, the Bank and ACL Securities Company Limited (a former subsidiary of the Bank that the Bank has already divested and which is now a subsidiary of Finansia Syrus Securities Public Company Limited, an associate of the Bank) had contingent liabilities as a result of a litigation claim brought by a former executive of ACL Securities Company Limited, who sued the Bank and ACL Securities Company Limited in a civil law case, claiming compensation of approximately Baht 117 million for a tort and breach of contract. The Court of the First Instance dismissed the case on 18 August 2011. Later, on 17 October 2011, the plaintiff appealed the case and the Bank and such company lodged statements of objection on 24 January 2012. On 18 July 2013 the Court of the First Instance read the judgment of the Appeal Court that renders the judgment to confirm the judgment of the Court of the First Instance. On 11 October 2013, the plaintiff lodged an appeal with the Supreme Court and both Bank and ACL Securities Company Limited filed statements of objection on 28 November 2013.

In addition, on 5 October 2012 the former executive of ACL Securities Company Limited sued the Bank and ACL Securities Company Limited in a labour case, seeking damages of approximately Baht 52 million for unfair dismissal. This case arose in the ordinary course of the business of ACL Securities Company Limited. Subsequently, on 18 February 2013, the Central Labour Court dismissed the case. On 26 March 2013 the plaintiff lodged the appeal but the Central Labour Court dismissed the appeal since it was made due to the question of fact that is prohibited by the law. The plaintiff therefore lodged the appeal with the Central Labour Court. On 10 April 2013 the Central Labour Court ordered to revert this case to the Supreme Court for consideration. The opinion of the Bank's management is that it is highly unlikely that the Bank and such company will have to pay the claimed amount. As at 31 December 2013 and 2012, the Bank therefore did not create a provision for the claim.

### 34. Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiary if the Bank and its subsidiary have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and its subsidiary are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank had significant business transactions with its major shareholder of the Bank, companies that are related with the major shareholder of the Bank, the Bank's subsidiary and related companies, including transactions with directors or management employees from executive vice president level or equivalent position upward, persons related to the related persons, entities in which the related persons have management authority, or entities in which the Bank or Directors or such management employees from executive vice president level or equivalent position upward or persons related to the related persons hold in the aggregate more than 10 percent of the issued share capital.

Relationship with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Industrial and Commercial Bank of China Limited	China	The ultimate parent company of the Bank and a subsidiary
ICBC (Thai) Leasing Company Limited	Thailand	A subsidiary of the Bank
Finansia Syrus Securities Public Company Limited	Thailand	An associated of the Bank
ACL Securities Company Limited	Thailand	A subsidiary of the Bank's associated
Industrial and Commercial Bank of China (Asia) Limited	Hong Kong	The Company that are related with the ultimate parent company
Industrial and Commercial Bank of China (Indonesia) Limited	Indonesia	The Company that are related with the ultimate parent company
Bangkok BTMU Company Limited	Thailand	The Company that are related through the Bank's directors
M-Home SPV 3 Company Limited	Thailand	The Company that are related through the Bank's management
Siam Piwat Company Limited	Thailand	The Company that are related through the Bank's directors
Siam Piwat Holding Company Limited	Thailand	The Company that are related through the Bank's directors
Key management personnel	Thailand/China	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiary.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest income	With reference to the terms and prices as offered to other customers
Interest expense	Market rates and/or charged in compliance with the criteria specified by the Bank of Thailand
Dividend income	As announced by the investee company
Fee income	With reference to the terms and prices as offered to other customers

Significant transaction for the years ended 31 December with related parties were as follows:

<i>For the year ended 31 December</i>	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<b>Parent</b>				
Interest income	-	60	-	60
Fee income	1	8	1	8
Interest expenses	123	38	123	38
<b>Associate</b>				
Interest expenses	3	4	3	4
Dividend income	-	-	17	7
Rental income	1	-	1	-
<b>Subsidiary</b>				
Interest income	-	-	1,153	1,323
Dividend income	-	-	-	251
Fee income	-	-	28	8
<b>Related companies</b>				
Interest income	1	-	1	-
Interest expenses	42	1	42	1
Dividend income	2	2	2	2
<b>Key management and directors</b>				
Interest expense	2	1	2	1
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	191	162	115	100
Post-employment benefits	19	5	5	2

*Directors and management's remuneration*

The Bank's directors and executives from the bank of executive vice president upwards do not receive benefits, either in monetary or non-monetary terms, other than the normal benefits such as monthly director's remuneration, meeting allowances, salaries and bonuses, as the case may be. Directors who are executives of the Bank do not receive director's remuneration, in accordance with the Bank's policy, and the representative directors who are executives of Industrial and Commercial Bank of China Limited do not receive director's remuneration, in accordance with Industrial and Commercial Bank of China Limited's policies, except for those benefits granted in accordance with employment agreements such as housing allowances, medical expenses, life and accident insurance and home trip expenses, in accordance with the established criteria. Nevertheless, directors with permanent residence abroad can reimburse expenses of travelling and accommodation incurred in connection with the operation of the Bank's business, at the amount actually incurred.

Balances with related parties were as follows:

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in million Baht)</i>			
<b><i>Interbank and money market items (assets)</i></b>				
Industrial and Commercial Bank of China Limited	62	106	62	106
Industrial and Commercial Bank of China (Asia) Limited	14	3	14	3
Industrial and Commercial Bank of China (Macau) Limited	23	20	23	20
<b><i>Investments <sup>(1)</sup></i></b>				
ICBC (Thai) Leasing Company Limited	-	-	4,250	3,750
Finansia Syrus Securities Public Company Limited	305	305	305	305
Bangkok BTMU Company Limited	20	20	20	20
<b><i>Loans to customers</i></b>				
ICBC (Thai) Leasing Company Limited	-	-	19,877	31,432
<b><i>Accrued interest receivables</i></b>				
ICBC (Thai) Leasing Company Limited	-	-	12	15
<b><i>Allowance for doubtful accounts</i></b>				
Related parties	-	1	1,008	574
<b><i>Other assets</i></b>				
Finansia Syrus Securities Public Company Limited	1	1	1	1

<sup>(1)</sup> Show the amount of the investment.

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in million Baht)</i>			
<b><i>Interbank and money market items (liabilities)</i></b>				
Industrial and Commercial Bank of China Limited	21,110	15,365	21,110	15,365
Industrial and Commercial Bank of China (Asia) Limited	3,127	-	3,127	-
Finansia Syrus Securities Public Company Limited	183	329	183	329
<b><i>Deposits and debts issued and borrowings</i></b>				
ICBC (Thai) Leasing Company Limited	-	-	-	3
ACL Securities Company Limited	-	180	-	180
M-Home SPV 3 Company Limited	9	4	9	4
Siam Piwat Company Limited	24	-	24	-
Related persons	49	54	49	54
<b><i>Off-financial reporting items</i></b>				
<b>Letter of guarantee</b>				
Industrial and Commercial Bank of China Limited	14	443	14	443
<b>Guarantee on loans</b>				
ICBC (Thai) Leasing Company Limited	-	-	5,600	5,600
<b><i>Forward exchange contracts-bought</i></b>				
Industrial and Commercial Bank of China Limited	1,077	-	1,077	-
Industrial and Commercial Bank of China (Asia) Limited	73	205	73	205

Movements of loans (included interbank and money market items-assets) to related parties are as follows:

<b>The Bank</b>					
	1 January 2013	Increase	Repayment	31 December 2013	Period of contract
<i>(in million Baht)</i>					
ICBC (Thai) Leasing Company Limited	13,122	37,158	(40,833)	9,447	On call
ICBC (Thai) Leasing Company Limited	18,310	-	(7,880)	10,430	11/1/11-20/7/15
Industrial and Commercial Bank of China Limited	46	76,495	(76,479)	62	On call
Industrial and Commercial Bank of China Limited	60	90	(150)	-	Matured
Industrial and Commercial Bank of China (Macau) Limited	20	4	(1)	23	23/12/13 - 27/1/14
Industrial and Commercial Bank of China (Asia) Limited	3	17,029	(17,018)	14	On call
Industrial and Commercial Bank of China (Asia) Limited	-	3,678	(3,678)	-	Matured

Movements of deposits, debts issued and borrowings (included interbank and money market items-liabilities) from related companies are as follows:

<b>The Bank</b>					
	1 January 2013	Increase	Repayment	31 December 2013	Period of contract
<i>(in million Baht)</i>					
ICBC (Thai) Leasing Company Limited	3	36,021	(36,024)	-	On call
Industrial and Commercial Bank of China Limited	50	957	(798)	209	On call
Industrial and Commercial Bank of China Limited	15,315	70,073	(64,487)	20,901	17/10/13-24/3/14
Industrial and Commercial Bank of China (Asia) Limited	-	112	(112)	-	On call
Industrial and Commercial Bank of China (Asia) Limited	-	94,864	(91,737)	3,127	3/12/13-10/1/14
ACL Securities Company Limited	180	110	(290)	-	On call
Finansia Syrus Securities Public Company Limited	329	7,116	(7,262)	183	On call
M-Home SPV 3 Company Limited	4	9	(4)	9	On call
Siam Piwat Company Limited	-	24	-	24	26/12/13-15/1/14
Related persons	11	64	(65)	10	On call
Related persons	42	102	(105)	39	2/1/13-9/1/14

### 35. Long-term lease agreements

The Bank and its subsidiary have entered into several lease agreements in respect of the lease of office building space and equipment. The terms of the agreements are generally between 0.5 year to 15 years. Long-term leases agreements classified by the remaining rental expenses to be paid for long-term leases agreements are as follows:

	Consolidated		The Bank	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	<i>(in thousand Baht)</i>			
Within one year	110	97	76	75
After one year but within five years	120	77	77	49
After five years	30	23	30	23
<b>Total</b>	<b>260</b>	<b>197</b>	<b>183</b>	<b>147</b>

### 36. Segment information

Information about reportable segments was as follows:

The Bank and its subsidiary's business operations involve 2 principal segments: (1) banking business and (2) hire purchase/finance leases business that form the basis of how information is presented to the chief operating decision maker. Respective business segments serve both corporate and retail customers, however retail represents an insignificant portion of the total at the bank level. These operations are carried on in Thailand. The Bank has determined that the Chief Operating Decision Maker is the Executive Committee.

Below is financial information by segment of the Bank and its subsidiary:

Financial performance For the years ended 31 December 2013	Consolidated				
	Banking business	Hire purchase/ finance leases business	Total	Elimination entries	Total
	<i>(in million Baht)</i>				
Net interest income	2,443	1,676	4,119	28	4,147
Fee and service income and other income, net	148	354	502	(28)	474
Share of profit from associates	92	-	92	-	92
Other operating income	379	160	539	(17)	522
Other operating expenses	(832)	(1,277)	(2,109)	-	(2,109)
Profit before bad debt, doubtful accounts and impairment losses	2,230	913	3,143	(17)	3,126
Bad debt, doubtful accounts and impairment losses	(811)	(1,055)	(1,866)	-	(1,866)
Profit from operation before income tax expense	1,419	(142)	1,277	(17)	1,260
Income tax expenses	(277)	31	(246)	-	(246)
<b>Profit for the year</b>	<b>1,142</b>	<b>(111)</b>	<b>1,031</b>	<b>(17)</b>	<b>1,014</b>

## Consolidated

## Financial performance

For the years ended 31 December 2013

Banking business	Hire purchase/ finance leases business	Total	Elimination entries	Total
---------------------	--	-------	------------------------	-------

(in million Baht)

## Financial position as at 31 December 2013

Investment in associates	463	-	463	-	463
Total assets	148,103	52,613	200,716	(24,002)	176,714
Total liabilities	132,308	48,132	180,440	(19,910)	160,530

## Consolidated

## Financial performance

For the years ended 31 December 2012

Banking business	Hire purchase/ finance leases business	Total	Elimination entries	Total
---------------------	--	-------	------------------------	-------

(in million Baht)

Net interest income	1,909	1,246	3,155	7	3,162
Fee and service income and other income, net	93	316	409	(7)	402
Share of profit from associates	44	-	44	-	44
Other operating income	526	88	614	(211)	403
Other operating expenses	(1,112)	(849)	(1,961)	-	(1,961)
Profit before bad debt, doubtful accounts and impairment losses	1,460	801	2,261	(211)	2,050
Bad debt, doubtful accounts and impairment losses	(900)	(462)	(1,362)	-	(1,362)
Profit from operation before income tax expense	560	339	899	(211)	688
Income tax expense	(74)	(101)	(175)	-	(175)
<b>Profit for the year</b>	<b>486</b>	<b>238</b>	<b>724</b>	<b>(211)</b>	<b>513</b>

## Financial position as at 31 December 2012

Investment in associates	388	-	388	-	388
Total assets	120,171	44,588	164,759	(35,145)	129,614
Total liabilities	105,329	40,496	145,825	(31,471)	114,354

### 37. Interest income

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Interbank and money market item	86,158	398,124	85,896	397,935
Investments in debt securities	721,130	601,422	721,130	601,422
Loans to customers	3,578,567	2,409,684	4,725,018	3,712,379
Hire-purchase and finance leases	3,552,878	2,669,122	891	1,553
Others	348	372	348	372
<b>Total</b>	<b>7,939,081</b>	<b>6,078,724</b>	<b>5,533,283</b>	<b>4,713,661</b>

### 38. Interest expenses

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Deposits	2,128,755	1,263,352	2,128,760	1,263,363
Interbank and money market items	597,462	331,677	479,010	278,864
Contributions to Deposit Protection				
Agency and Bank of Thailand	390,231	289,738	390,231	289,738
Debt issued-debentures	617,026	94,433	44,080	36,717
Borrowings	47,016	935,677	47,016	935,677
Borrowing fee expense	11,606	2,140	728	624
Others	29	98	29	98
<b>Total</b>	<b>3,792,125</b>	<b>2,917,115</b>	<b>3,089,854</b>	<b>2,805,081</b>

### 39. Net fees and service income

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b><i>Fees and service income</i></b>				
Acceptances, avals and guarantees	21,791	24,626	49,812	32,144
Letter of credit fee income	9,118	5,108	9,294	5,108
Hire purchase/finance lease fee income	353,965	316,201	-	-
Others	25,451	22,738	25,451	22,738
<b>Total fees and service income</b>	<b>410,325</b>	<b>368,673</b>	<b>84,557</b>	<b>59,990</b>
Fees and service expense	(13,505)	(1,118)	(13,505)	(1,118)
<b>Net fees and service income</b>	<b>396,820</b>	<b>367,555</b>	<b>71,052</b>	<b>58,872</b>

#### 40. Net trading income

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<b>Gain (loss) on trading and foreign exchange transactions</b>				
Foreign currencies and foreign currency related derivatives	73,494	22,645	73,612	22,645
<b>Total</b>	<b>73,494</b>	<b>22,645</b>	<b>73,612</b>	<b>22,645</b>

#### 41. Net gain on investments

For the years ended 31 December	Consolidated and The Bank	
	2013	2012
	<i>(in thousand Baht)</i>	
<b>Gains (losses) on sales</b>		
Available-for-sale securities	-	12,257
General investment	(114)	-
<b>Reversal of allowance for impairment</b>		
General investment	3,943	-
<b>Net gain on investments</b>	<b>3,829</b>	<b>12,257</b>

#### 42. Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries and related benefits payable to directors who are executives of the Bank and its subsidiary) paid to the Bank and subsidiary's directors in accordance with Section 90 of the Public Limited Companies Act.

#### 43. Bad debt, doubtful accounts and impairment losses

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Bad debts and doubtful accounts				
Interbank and money market items	(6,423)	14,790	(6,423)	14,790
Loans to customers	1,864,841	1,324,272	810,237	862,664
Loss on debt restructuring	7,059	22,948	7,059	22,948
<b>Total</b>	<b>1,865,477</b>	<b>1,362,010</b>	<b>810,873</b>	<b>900,402</b>

#### 44. Income tax expense

##### *Income tax recognised in profit or loss*

For the years ended 31 December	Note	Consolidated		The Bank	
		2013	2012 (Restated)	2013	2012 (Restated)
		<i>(in thousand Baht)</i>			
<b>Current tax expense</b>					
Current period		370,652	209,729	206,789	78,037
Adjustment for prior years		(3,423)	-	270	-
		<b>367,229</b>	<b>209,729</b>	<b>207,059</b>	<b>78,037</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	21	(121,227)	(35,382)	62,236	(8,553)
		<b>(121,227)</b>	<b>(35,382)</b>	<b>62,236</b>	<b>(8,553)</b>
<b>Total income tax expense</b>		<b>246,002</b>	<b>174,347</b>	<b>269,295</b>	<b>69,484</b>

##### *Income tax recognised in other comprehensive income*

For the years ended 31 December	Consolidated and the Bank					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Other comprehensive income						
Available-for-sale securities	(111,582)	22,317	(89,265)	204,125	(40,825)	163,300
<b>Total</b>	<b>(111,582)</b>	<b>22,317</b>	<b>(89,265)</b>	<b>204,125</b>	<b>(40,825)</b>	<b>163,300</b>

## Reconciliation of effective tax rate

For the years ended 31 December	Consolidated			
	2013		2012 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,259,956		687,500
Income tax using the Thai corporation tax rate	20	251,991	23	158,125
Income tax reduction-Deferred tax		-		5,307
Income not subject to tax		(3,079)		-
Expense not deductible for tax purpose		-		10,915
Over provided in prior years		(3,423)		-
Others		513		-
<b>Total</b>	<b>20<sup>(1)</sup></b>	<b>246,002</b>	<b>25<sup>(1)</sup></b>	<b>174,347</b>

<sup>(1)</sup> Effective tax rate

For the years ended 31 December	The Bank			
	2013		2012 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		1,327,577		521,888
Income tax using the Thai corporation tax rate	20	265,515	23	120,034
Income tax reduction-Deferred tax		-		1,282
Income not subject to tax		-		(51,832)
Expense not deductible for tax purpose		3,510		-
Under provided in prior years		270		-
<b>Total</b>	<b>20<sup>(1)</sup></b>	<b>269,295</b>	<b>13<sup>(1)</sup></b>	<b>69,484</b>

<sup>(1)</sup> Effective tax rate

### *Income tax reduction*

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

### 45. Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to shareholders of the Bank and the weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the years as follows:

For the years ended 31 December	Consolidated		The Bank	
	2013	2012	2013	2012
Profit attributable to shareholders of the Bank (in million Baht)	1,014	513	1,058	452
Weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding (million shares)	1,590	1,590	1,590	1,590
<b>Earnings per share (basic) (in Baht)</b>	<b>0.64</b>	<b>0.32</b>	<b>0.67</b>	<b>0.28</b>

## 46. Thai Financial Reporting Standards (TFRS) not yet adopted

The Bank and its subsidiary have not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Bank and its subsidiary's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and the Bank's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

## Auditors

### Names of Auditors and Their Office

- |                                |                                      |
|--------------------------------|--------------------------------------|
| 1) Ms. Pantip Gulsantithamrong | Certified Public Accountant No. 4208 |
| 2) Ms. Somboon Supasiripinyo   | Certified Public Accountant No. 3731 |
| 3) Ms. Wilai Buranakittisopon  | Certified Public Accountant No. 3920 |

The above auditors have no relationship with or interests in the Bank/subsidiaries/ executives/major shareholders or related parties thereof.

### Engaged Office

KPMG Phoomchai Audit Limited (KPMG)

### The Auditors of the Subsidiary and Affiliated Companies of the Bank

The auditors of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) are the auditors of KPMG, the same audit firm as the auditors of the Bank.

### Remuneration of Auditors

The audit fee of the Bank and its subsidiary for the year ended 31 December 2013 was 3,670,808 Baht, broken down into the audit fee of the Bank of 2,620,808 Baht and that of ICBC (Thai) Leasing Company Limited (the Bank's subsidiary) of 1,050,000 Baht.

## Management Structure

### 1. Board of Directors

The Board of Directors comprises of 11 members including qualified directors, directors who are ICBC representatives and 4 independent directors as follows:

Dr. Ye Hu	Chairman
Dr. Zhigang Li	Director
Mr. Chanchai Leetavorn	Director /Honorary Consultant to Chairman of the Board
Dr. Kosol Petchsuwan	Independent Director
Dr. Prasit Damrongchai	Independent Director
Dr. You Ye	Director
Mr. Guohui Song	Director
Mr. Jiqian Cui	Director
Dr. Li Lan	Director
Mr. Plengsakdi Prakaspesat	Independent Director
Ms. Ladda Siriwattanakosol	Independent Director

\* Mr. Youbin Chen resigned from the Board of Directors on 27 June 2013 and Dr. Changwen Nie resigned from the Board of Directors on 13 September 2013.

According to the Bank's Articles of Association, the Board of Directors' meeting shall be held at least once every three months. At least one half of the total number of Directors must be present to form a quorum.

The Board of Directors has the duties and responsibilities to set the overall direction, strategic objectives and policies of the Bank and to supervise and oversee the efficient management of the Bank. It also has a responsibility to ensure that the Bank has appropriate risk management systems in place and sufficient capital funds to cover current and future risks. In addition, it has the responsibility to monitor the Bank's business operations to ensure that the Bank has effective internal control and audit systems in place and that the Bank's operations are in compliance with the laws, the Bank's policies, resolutions of the shareholders' meetings, and principles of good corporate governance so that the stakeholders and customers will have confidence in the Bank. In addition, it is responsible for assigning one or several Directors or other persons to perform actions on its behalf.

### 2. Independent Directors

The Board of Directors has determined the qualifications of the Bank's Independent Directors to be in compliance with the qualifications of Independent Directors specified by the Bank of Thailand (BOT) under the Principles of Corporate Governance for Financial Institutions and by the Capital Market Supervisory Board. The qualifications stipulates that an Independent Director must be a Director who does not have any business relationship with or participate in the management of or have any interest in the Bank which may affect his or her independent decision.

### 3. Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed four committees to oversee and ensure an efficient management system which is in compliance with the Bank's policies. Each committee's responsibilities have been clearly specified. The four committees which are under the direct supervision of the Board of Directors are the Executive Committee; Audit Committee; Nomination, Compensation and Corporate Governance Committee; and Group Risk Management Committee. Details are as follows:

#### 3.1 The Executive Committee

The Executive Committee comprises of 7 Directors and Senior Executives as follows:

Dr. Ye Hu	Chairman
Dr. Zhigang Li	Member
Dr. You Ye	Member
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member
Mr. Chaiwat Tanchewawong	Member

The Executive Committee has the responsibility to perform duties as delegated by the Board of Directors including the formulation of criteria and procedures for consideration and approval of credit facilities, debt restructuring, securities investments, acquisition or disposal of immovable properties resulting from debt restructuring or mortgage of properties of the Bank and any other normal businesses of the Bank. It also

has the responsibilities to appoint sub-committees as well as amend, revise and alter the authorities and responsibilities of sub-committees. In addition, the Executive Committee is responsible for considering all matters which are to be proposed to the Board of Directors. It must also monitor the Bank's operations and report findings to the Board of Directors on a regular basis.

### 3.2 The Audit Committee

The Audit Committee comprises of 3 Independent Directors as follows:

Dr. Kosol Petchsuwan	Chairman
Mr. Plengsakdi Prakaspesat	Member
Ms. Ladda Siriwattanakosol	Member

The Audit Committee has the responsibilities to review and ensure that the Bank and the companies in its financial business group have accurate and adequate financial reports as well as suitable and efficient internal control and internal audit systems. It must ensure that the operations of the Bank and the companies in its financial business group are in compliance with the relevant laws and regulations in relation to the business of the Bank and its financial business group. It also has the responsibilities to consider, select and nominate an independent person to be the Bank's statutory auditor and to propose such person's remuneration; and meet the independent auditor at least once a year without the presence of the management. Moreover, the Audit Committee has a duty to review transactions which may lead to conflicts of interest to ensure that they are conducted in compliance with relevant laws and regulations and are proceeded in a reasonable manner for the utmost benefits to the Bank.

### 3.3 The Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee comprises 3 Non-executive Members with the Chairman being an Independent Director as follows:

Dr. Prasit Damrongchai	Chairman
Mr. Jiqian Cui	Member
Dr. Li Lan	Member

The Nomination, Compensation and Corporate Governance Committee has the duties and responsibilities as follows:

#### 1) Nomination

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to establish policies, criteria and procedures for the selection of Directors, Members of Committees and Senior Executives for the Board of Directors' approval. It also has the responsibility to recommend to the Board of Directors the appropriateness of the size and composition of the Board of Directors, as well as any other adjustment required in order to adapt to changes in the business environment. The Committee shall consist of members with knowledge, skill and experience in various fields which are beneficial to the business of the Bank.

Moreover, the Committee is responsible for the nomination of Directors, Members of Committees and Senior Executives by selecting qualified candidates according to the Bank's criteria to be appointed as Directors, Members of Committees and Senior Executives. The candidates shall not possess prohibited characteristics specified in the Financial Institutions Businesses Act B.E. 2551, the BOT's criteria and other relevant laws. For the position of Independent Director, a candidate shall possess all qualifications as set by the Bank's criteria, which are in line with the criteria of the supervisory authorities. The most suitable candidates will be recommended to the Board of Directors for appointment or for proposing to the shareholders' meeting for approval, as the case may be.

#### 2) Compensation

The Nomination, Compensation and Corporate Governance Committee has the responsibility to establish policies regarding compensation and benefits granted to the Directors, Members of Committees and Senior Executives for the Board of Directors' approval. The policies shall be based on clear and transparent criteria.

The Committee shall ensure that compensation is reasonable, comparable to the rates of other comparable financial institutions, compatible with the Bank's performance and commensurate with the Directors' Members of Committees' or senior executives' duties, responsibilities and experience. Directors assigned with additional duties and responsibilities as members of Committees should receive additional compensations that commensurate such additional assignments.

In addition, the Committee has the responsibility to formulate guidelines on the assessment of the performances of the Board of Directors and senior executives to be used to determine their annual compensations.

### 3) Corporate Governance

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to develop and review the Bank's Corporate Governance Policy and procedures to ensure that they are in line with the Principles of Good Corporate Governance. The Committee also has a responsibility to advise the Board of Directors, the management and staff regarding corporate governance best practices and business ethics, while maintaining efficient management.

#### 3.4 The Group Risk Management Committee

The Group Risk Management Committee comprises of 12 Members as follows:

Dr. Zhigang Li	Chairman
Dr. You Ye	Member
Mr. Guohui Song	Member
Mr. Apichart Kasemkulsiri	Member
Ms. Suree Wipatakanok	Member

Mr. Chaiwat Tanchewawong	Member
Ms. Kanchana Vongratanakulthorn	Member
Mr. Som Pisarnsopon	Member
Ms. Sasiwadee Somboonthum	Member
Mr. Wisit Ausawalaithong	Member
Dr. Wei Huang	Member
Mr. Wasun Muangmee	Member

The Group Risk Management Committee has the responsibility to formulate appropriate risk management policies for the Bank and the companies in its financial business group. It also has the responsibility to formulate risk management strategies which are in accordance with the Bank's Risk Management Policies. The Committee must also monitor and manage risk to an appropriate level as well as review the appropriateness of policies, assess the risk management practice of the Bank and the companies in its financial business group, and report findings to the Board of Directors of the Bank.

In addition to the four committees mentioned above, the Bank has also set up 13 other main sub-committees to manage the daily operations of the Bank, members of which are appointed from Executives from different Divisions. They include (1) the Management Committee, (2) the Credit Committee, (3) the Asset and Liability Committee, (4) the Technology Committee, (5) the Collateral Appraisal Committee, (6) the Collateral Appraisal Sub-Committee, (7) the Asset Management Committee, (8) the Asset for Sale Sub-Committee, (9) the Movable Asset Sub-Committee, (10) the Complaint Consideration Sub-Committee, (11) the Financial Approval Committee, (12) the IT Procurement Committee; and (13) the Selection of Insurance Partnering Company Committee.

## Remuneration for Directors and Executives for 2013

### 1. Remuneration of Directors

Remuneration of Directors		
No.	Name	Amount
1	Dr. Ye Hu	3,621,600.00
2	Mr. Chanchai Leetavorn	360,000.00
3	Dr. Kosol Petchsuwan	360,000.00
4	Mr. Plengsakdi Prakaspesat	360,000.00
5	Dr. Prasit Damrongchai	360,000.00
6	Ms. Ladda Siriwattanakosol	360,000.00
	<b>Total</b>	<b>5,421,600.00</b>

### Remuneration of the Chairman of the Executive Committee

1	Dr. Ye Hu	10,731,928.86
	<b>Total</b>	<b>10,731,928.86</b>

### Remuneration of Members of the Audit Committee

1	Dr. Kosol Petchsuwan	600,000.00
2	Mr. Plengsakdi Prakaspesat	360,000.00
3	Ms. Ladda Siriwattanakosol	360,000.00
	<b>Total</b>	<b>1,320,000.00</b>

### Remuneration of Members of the Nomination, Compensation and Corporate Governance Committee

1	Dr. Prasit Damrongchai	600,000.00
	<b>Total</b>	<b>600,000.00</b>

### Remuneration of the Honorary Consultant to Chairman of the Board

1	Mr. Chanchai Leetavorn	600,000.00
	<b>Total</b>	<b>600,000.00</b>
	<b>Grand Total</b>	<b>18,673,528.86</b>

### 2. Remuneration to Executives for 2013

Executives	2013	
	No. of Person	Total Amount (Baht)
<b>Total</b>	<b>16</b>	<b>98,962,643.83</b>

## Directors' and Senior Executives' holding of positions in other companies as of 31 December 2013

Name	ICBC (Thai)					Position		Other Companies
	The Bank's Financial Business Group							
Mr. Chanchai Leetavorn	Director/ Honorary Consultant	-	-	-	-	Executive Director Executive Director Executive Director Executive Director Director	Bangkok BTMU Co., Ltd. Siam Piwat Co., Ltd. Siam Piwat Holding Co., Ltd. Siam Speciality Co., Ltd. Minebea Aviation Co., Ltd.	
Dr. Kosol Peichsuwan	Independent Director/ Chairman of the Audit Committee	-	-	-	-	Independent Director	True Corporation PLC	
Dr. Prasit Damrongchai	Independent Director/Chairman of the Nomination, Compensation and Corporate Governance Committee	-	-	-	-	Independent Director/ Chairman of the Audit Committee/Vice Chairman	Dhipaya Insurance PLC	
Mr. Plengsakdi Prakaspat	Independent Director/ Member of the Audit Committee	-	-	-	-	Independent Director/ Chairman of the Audit Committee Director Executive Director Executive Director Senior Advisor Advisor	Bangkok Insurance PLC Aspac Co., Ltd. Metro Resources PLC Srikrungwattana Property Co., Ltd. Thai Central Chemical PLC United Flour Mill PLC	
Ms. Ladda Sriwattanakosol	Independent Director/ Member of Audit Committee	-	-	-	-	Director	Pace Development Corporation PLC	
Mr. Apichart Kasemkulsiri	Senior Executive Vice President, Treasury & Banking Operations Group	Executive Director	-	-	-	Executive Director Director Director	T.Krung Thai Industry PLC T Thai Snack Foods Co., Ltd Sri Sam Ank Supplier Co., Ltd.	
Ms. Kanchana Vongratanakulthon	Executive Vice President, Recovery & Credit Card Management Division	-	-	-	-	Executive Director Executive Director	M-Home SPV 3 Co., Ltd. Chonburi Motor Express Co., Ltd.	
Mr. Som Pisamsopon	Executive Vice President, Finance & Strategy Division	Executive Director	-	-	-	-	-	
Mr. Yongmin Tang	Executive Vice President, Deputy Head of Division, Branch Banking Division	Executive Director	ICBC (Thai) Leasing Co., Ltd.	-	-	-	-	

## Corporate Governance

The Board of Directors promotes the culture of good corporate governance in conducting business of the Bank since it believes that good corporate governance is a crucial factor for creating business sustainability and building trusts to its customers and stakeholders as well as the society at large. Thus, the Board of Directors has prescribed a written Corporate Governance Policy which is consistent with the BOT's Principles of Corporate Governance for financial institutions. In setting up the organization structure, operational guidelines and responsibilities for good corporate governance, the Bank has given high priority to accountability, equitable treatment and transparency to ensure that the Bank's business operations are in accordance with the relevant laws and regulations.

The Board of Directors oversees that the Bank operates under the scope of good corporate governance which means conducting business with integrity and ethics. It ensures that all executives and employees understand the ethical standard of the Bank and comply with such standard so that the Bank could continue to operate as an institution with a high standard of corporate governance.

The Board of Directors recognizes the importance of sound management and control systems and has delegated the management to establish adequate and appropriate internal control systems to help mitigate risks as well as to lessen damages which may arise. This involves establishing policies which cover risk management, formulating policies relevant to corporate governance, prescribing a written operational rule and procedure manual, as well as supporting continuous educational development of all employees to enhance their capabilities.

The Bank's Board of Directors has determined control activities to be an important part of operational processes for every working section of the Bank, therefore, has assigned several

committees to oversee the control system. These committees are the Audit Committee and the Group Risk Management Committee. More directly, the Nomination, Compensation and Corporate Governance Committee, under the direct supervision of the Board of Directors, which in addition to selecting qualified persons for positions in the Bank and determining their compensations, is responsible for ensuring that a proper corporate governance system is in place and in compliance with the Corporate Governance Policy.

The Audit Committee has the responsibilities to review and assess, through the Internal Audit Department, the efficiency and sufficiency of the internal control systems and make certain that operations are continuously performed in compliance with the policies and regulations of the Bank's supervisory authorities. The Internal Audit Department is an independent department which reports directly to the Audit Committee. In addition, the Group Risk Management Committee has the duties to monitor and oversee the operations of the Bank to ensure that they are in compliance with the risk management policies of the Bank.

Moreover, in the year 2013, the Board of Directors of the Bank approved the new Board of Directors' Assessment Form, as proposed by the Nomination, Compensation and Corporate Governance Committee, for the performance of the Board of Directors as a whole. This self-assessment is conducted by each Director every year to assess and review the performance of the Board of Directors during the past year. The assessment comprises of 4 categories as follows:

- 1) Board Policy
- 2) Board Composition
- 3) Board Practice
- 4) Board Meeting

The Board of Directors' Assessment resulted in an overall average of 95.25%.

## Capital Structure

### Registered Capital

As at 31 December 2013 the Bank had a registered capital of 14,186,840,269.40 Baht with paid-up capital of 14,186,840,269.40 Baht divided into 1,590,001,864 ordinary shares at par value of 8.92 Baht and 451,081 Class B preferred shares at par value of 8.92 Baht.

### Preferred Shares

The Bank's preferred shares were previously divided into Class A and Class B preferred shares. Currently, all Class A preferred shares have been converted into ordinary shares. Class B preferred shares have rights and benefits equal to ordinary shares with the exception that the holders of Class B preferred shares are entitled to convert their shares into ordinary shares at a ratio of 1:1. The holders of Class B preferred shares are able to exercise the conversion of Class B preferred shares into ordinary shares four times a year. The exercise dates for the conversion of Class B [preferred shares into ordinary shares are 22 February, 22 May, 22 August and 22 November. The holder of Class B preferred shares must lodge the application for the conversion together with the share certificates to the Bank (Head Office Branch) as the Share Registrar during business hours on the specified dates. Consequently, the Bank has become its own Share Registrar since 1 September 2013.

## General Information

### (1) Industrial and Commercial Bank of China (Thai) Public Company Limited

Type of business	Commercial bank
Address of Head Office	11 <sup>th</sup> -13 <sup>th</sup> Floors, Emporium Tower, 622 Sukhumvit Road, Klong Ton, Klong Toei, Bangkok 10110 Thailand
Registration No.	0107536000251
Website	www.icbcthai.com
Telephone	+66 2663 9999
Facsimile	+66 2663 9888
Call Center	+66 2629 5588
Registered capital	14,186,840,269.40 Baht (as of 31 December 2013)
Paid-up capital	14,186,840,269.40 Baht (as of 31 December 2013)
Par value	8.92 Baht

### (2) Entities in which the Bank has a stake of 10% or more of their paid-up capital

#### - ICBC Leasing (Thai) Company Limited

Address	1122 KPI Tower 15th Floor New Petchburi Road, Makasan, Ratchathewi Bangkok 10400 Thailand
Type of business	Leasing Business
Telephone	+66 2876 7200
Facsimile	+66 2876 7210-12
Registered capital	8,000,000,000.00 Baht (as of 31 December 2013)
Paid-up capital	4,250,000,000.00 Baht (as of 31 December 2013)
Par value	10 Baht
Percentage of shareholding	99.99%

#### - Finansia Syrus Securities Public Company Limited

Address	999/9 The Offices at Central World 18 <sup>th</sup> Floor, Rama I Road, Pathumwan, Bangkok 10500 Thailand
Type of business	Securities Business
Telephone	+66 2658 9000
Facsimile	+66 2658 9110
Registered capital	747,693,118.40 Baht (as of 31 December 2013)
Paid-up capital	745,545,731.20 Baht (as of 31 December 2013)
Par value	1.60 Baht
Percentage of shareholding	23.56%

#### - Bangkok BTMU Company Limited

Address	54 Harindhorn Tower 4 <sup>th</sup> Floor, Unit A, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand
Type of business	Investment and Lending Business
Telephone	+66 2266 3075
Facsimile	+66 2266 3076
Registered capital	200,000,000 Baht (as of 31 December 2013)
Paid-up capital	200,000,000 Baht (as of 31 December 2013)
Par value	100 Baht
Percentage of shareholding	10%

### (3) Reference Information

- **Registrar** Industrial and Commercial Bank of China (Thai) Public Company Limited  
13<sup>th</sup> Floor, Emporium Tower, 622 Sukhumvit Road,  
Khlong Ton, Khlong Toei, Bangkok 10110 Thailand  
Tel. +66 2663 9999  
Fax. +66 2663 9768
  
- **Auditors** KPMG Phoomchai Audit Limited  
48<sup>th</sup> Floor, Empire Tower, 195 South Sathorn Road  
Bangkok, 10120 Thailand  
Tel. +66 2677 2000  
Fax. +66 2677 2222

### (4) Branch Offices

#### Bangkok and Metropolitan

- Head Office Branch 12<sup>th</sup> Floor, Emporium Tower, 622 Sukhumvit Road,  
Khlong Ton, Khlong Toei, Bangkok 10110  
Tel. +66 2663 9999  
Fax. +66 2663 9888
  
- Bang Khun Tian Branch 20/13-16 Bang Khun Tian Road, Bang Bon,  
Bang Bon, Bangkok 10150  
Tel. +66 2899 8275-6, 0 2899 8278-9  
Fax. +66 2899 8280
  
- Vibhavadi-rangsit Branch 161/2-5 Vibhavadi Rangsit Road,  
Sikan, Donmuang, Bangkok 10210  
Tel. +66 2996 9902-5  
Fax. +66 2996 9906
  
- Petchkasem Branch 79/15-18 Moo 2 Petchkasem Road,  
Nongkhangphlu, Nongkhaem, Bangkok 10160  
Tel. +66 2812 4514-7  
Fax. +66 2812 4507
  
- Srinakharin Branch 990, 992 Srinakharin Road,  
Suanluang, Bangkok 10250  
Tel. +66 2752 6804  
Fax. +66 2752 6808
  
- Yaowaraj Branch 259 Yaowaraj Road,  
Samphanthawong, Bangkok 10100  
Tel. +66 2623 2112  
Fax. +66 2623 2116

Lat Phrao Branch	2308 Lat Phrao Road, Wangthongl, Bangkok 10310 Tel. +66 2931 8420 Fax. +66 2931 8421
Sathon Branch	Bangkok Insurance Building, 25 South Sathon Road, Thung Maha Mek, Sathon, Bangkok 10120 Tel. +66 2677 4415-6 Fax. +66 2677 4420
Ratchadapisek Branch	Modern Bath Building, 213 Floor 1, Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. +66 2693 8870-4 Fax. +55 2693 8869
Samut Sakhon Branch	930/42 Sor and 930/42 Hor, Eakkachai Road, Mahachai, Mueang, Samut Sakhon 74000 Tel. +66 3481 1452-5 Fax. +66 3481 1456
<b>North Eastern</b>	
Khon Kaen Branch	4/6 Klangmuang Road, Naimuang, Muang, Khon Kaen 40000 Tel. +66 4324 2400, +66 4324 3507-9 Fax. +66 4324 3510
Ubon Ratchathani Branch	88 Chayangkul Road, Nai Mueang, Mueang, Ubon Ratchathani 34000 Tel. +66 4524 2299, +66 4524 0-639, +66 4524 1699, +66 4524 1966 Fax. +66 4524 0988
Udon Thani Branch	105/5-6 Udondusadi Road, Mak-khaeng, Muang, Udon Thani 41000 Tel. +66 4234 3860-3 Fax. +66 4234 3030
Nakhon Ratchasima Branch	329/1-3 Yommarat Road, Naimuang, Muang, Nakhon Ratchasima 30000 Tel. +66 4426 9491-4 Fax. +66 4426 9495

**Northern**

Chiang Mai Branch            615/5 Charoenmuang Road,  
Nongpakrang, Muang, Chiangmai 50000  
Tel. +66 5330 4752-5  
Fax. +66 5330 4756

**Eastern**

Sriracha Branch            138 Sukhumvit Road, Sriracha,  
Sriracha, Chonburi 20110  
Tel. +66 3877 3483-4, +66 3877 3498-9  
Fax. +66 3877 3559

Rayong Branch            360/23-25 Sukhumvit Road,  
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