

Part 3**Financial Status and Operational Results****13. Significant Financial Information****Auditor Report of the Independent Certified Public Accountants and Auditing Fees****Auditors****KPMG Phoomchai Audit Ltd.**

2011: Mr. Supot Singhasaneh, CPA Registration No. 2826 of KPMG Phoomchai Audit Ltd.

2012: Mr. Supot Singhasaneh, CPA Registration No. 2826 of KPMG Phoomchai Audit Ltd.

2013: Mr. Supot Singhasaneh, CPA Registration No. 2826 of KPMG Phoomchai Audit Ltd.

Report of the Independent Certified Public Accountants for 2011-2013**2011**

Auditor's opinion was that the consolidated and the Bank's financial statements present fairly, in all material respects, the financial positions as at 31 December 2011 and 2010 and the results of operations and cash flows for the years then ended of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, in accordance with Financial Reporting Standards.

2012

Auditor's opinion was that the consolidated and the Bank's financial statements present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year then ended of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

2013

Auditor's opinion was that the consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Appointment of Auditors and Determining Auditing Fees

The Board assigned the Audit Committee to consider and propose the appointment of external auditors and auditing fees to shareholders for approval at every Annual General Meeting of shareholders. At the 2013 Annual General Meeting, shareholders approved the following items:

The appointment of Mr. Supot Singhasaneh CPA Registration No. 2826, Mr. Charoen Phosamritlert CPA Registration No. 4068 and Miss Pantip Gulsantitamrong CPA Registration No. 4208, of KPMG Phoomchai Audit Ltd. to be auditors of the Bank for the financial year 2013. The Bank of Thailand concurred with these appointments.

Audit Fees

The Bank and its subsidiaries incurred audit fees of Baht 24.7 million payable to the auditors for the 2013 fiscal year (*2012: 25.9 million*).

Non-Audit Fees

The Bank and its subsidiaries paid fees for services other than statutory audits as follows:

1. Special audits and examination of banking returns as required by regulations.
2. Examination of foreign exchange booths.
3. Information technology review covering electronic money transfer system.
4. Audit of the Risk-Based Capital Reports.
5. Tax services.
6. Review of Treasury/ Financial Markets activities - a special project.
7. Financial Reporting Review.

Non-audit fees amounted to Baht 10.7 million for the 2013 fiscal year (*2012: 12.5 million*), of which Baht 1.7 million was paid in 2013, and Baht 9 million is due to be paid in 2014.

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31

(in thousand Baht)

Assets	2013		2012 (Restated)		2011	
Cash	35,583,930	1.49%	31,218,439	1.46%	33,468,934	1.92%
Interbank and money market items, net	154,891,396	6.50%	149,540,753	6.97%	114,794,032	6.60%
Claims on security	3,088,940	0.13%	-	0.00%	-	0.00%
Derivative assets	46,314,959	1.94%	28,781,792	1.34%	28,198,279	1.62%
Investments, net	368,168,331	15.45%	346,600,314	16.16%	240,521,620	13.83%
Investments in subsidiaries and associate, net	27,884,349	1.17%	27,902,519	1.30%	28,132,697	1.62%
Loans to customers and accrued interest receivables, net						
Loans to customers	1,751,633,622	73.49%	1,561,795,974	72.80%	1,282,584,826	73.74%
Accrued interest receivables	<u>3,926,947</u>	0.16%	<u>3,308,810</u>	0.15%	<u>2,833,752</u>	0.16%
Total loans to customers and accrued interest receivables	1,755,560,569	73.65%	1,565,104,784	72.95%	1,285,418,578	73.90%
Less deferred revenue	(23,637,529)	-0.99%	(21,153,819)	-0.99%	(12,210,373)	-0.70%
Less allowance for doubtful accounts	(58,603,900)	-2.46%	(49,739,941)	-2.32%	(41,333,964)	-2.38%
Less revaluation allowance for debt restructuring	<u>(374,330)</u>	-0.02%	<u>(445,628)</u>	-0.02%	<u>(561,772)</u>	-0.03%
Total loans to customers and accrued interest receivables, net	1,672,944,810	70.19%	1,493,765,396	69.63%	1,231,312,469	70.79%
Customers' liabilities under acceptances	119,241	0.01%	192,219	0.01%	110,194	0.01%
Properties for sale, net	9,635,528	0.40%	9,437,572	0.44%	11,573,083	0.67%
Premises and equipment, net	33,674,416	1.41%	33,955,214	1.58%	33,240,646	1.91%
Goodwill and other intangible assets, net	1,415,127	0.06%	1,479,453	0.07%	1,272,059	0.07%
Reinsurance receivables and assets	-	0.00%	-	0.00%	-	0.00%
Assets pending transfer	4,708,520	0.20%	12,660,556	0.59%	6,273,641	0.36%
Deferred tax assets	11,336	0.00%	8,150	0.00%	-	0.00%
Other assets, net	25,167,003	1.06%	9,773,136	0.46%	10,490,324	0.60%
Total assets	2,383,607,886	100.00%	2,145,315,513	100.00%	1,739,387,978	100.00%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31

(in thousand Baht)

Assets	2013		2012 (Restated)		2011	
Cash	35,583,930	1.49%	31,218,439	1.46%	33,468,934	1.92%
Interbank and money market items, net	154,891,396	6.50%	149,540,753	6.97%	114,794,032	6.60%
Claims on security	3,088,940	0.13%	-	0.00%	-	0.00%
Derivative assets	46,314,959	1.94%	28,781,792	1.34%	28,198,279	1.62%
Investments, net	368,168,331	15.45%	346,600,314	16.16%	240,521,620	13.83%
Investments in subsidiaries and associate, net	27,884,349	1.17%	27,902,519	1.30%	28,132,697	1.62%
Loans to customers and accrued interest receivables, net						
Loans to customers	1,751,633,622	73.49%	1,561,795,974	72.80%	1,282,584,826	73.74%
Accrued interest receivables	<u>3,926,947</u>	0.16%	<u>3,308,810</u>	0.15%	<u>2,833,752</u>	0.16%
Total loans to customers and accrued interest receivables	1,755,560,569	73.65%	1,565,104,784	72.95%	1,285,418,578	73.90%
Less deferred revenue	(23,637,529)	-0.99%	(21,153,819)	-0.99%	(12,210,373)	-0.70%
Less allowance for doubtful accounts	(58,603,900)	-2.46%	(49,739,941)	-2.32%	(41,333,964)	-2.38%
Less revaluation allowance for debt restructuring	<u>(374,330)</u>	-0.02%	<u>(445,628)</u>	-0.02%	<u>(561,772)</u>	-0.03%
Total loans to customers and accrued interest receivables, net	1,672,944,810	70.19%	1,493,765,396	69.63%	1,231,312,469	70.79%
Customers' liabilities under acceptances	119,241	0.01%	192,219	0.01%	110,194	0.01%
Properties for sale, net	9,635,528	0.40%	9,437,572	0.44%	11,573,083	0.67%
Premises and equipment, net	33,674,416	1.41%	33,955,214	1.58%	33,240,646	1.91%
Goodwill and other intangible assets, net	1,415,127	0.06%	1,479,453	0.07%	1,272,059	0.07%
Reinsurance receivables and assets	-	0.00%	-	0.00%	-	0.00%
Assets pending transfer	4,708,520	0.20%	12,660,556	0.59%	6,273,641	0.36%
Deferred tax assets	11,336	0.00%	8,150	0.00%	-	0.00%
Other assets, net	25,167,003	1.06%	9,773,136	0.46%	10,490,324	0.60%
Total assets	2,383,607,886	100.00%	2,145,315,513	100.00%	1,739,387,978	100.00%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)
STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31 (continued)

(in thousand Baht)

Liabilities and equity	2013		2012 (Restated)		2011	
Liabilities						
Deposits	1,820,728,311	76.39%	1,614,588,618	75.26%	1,179,458,199	67.81%
Interbank and money market items	123,991,527	5.20%	111,907,302	5.22%	55,005,273	3.16%
Liabilities payable on demand	8,367,373	0.35%	9,562,679	0.45%	6,897,938	0.40%
Liabilities to deliver security	3,088,940	0.13%	-	0.00%	-	0.00%
Derivative liabilities	46,822,966	1.96%	24,979,741	1.16%	28,818,615	1.66%
Debt issued and borrowings	94,965,876	3.98%	132,487,594	6.18%	256,302,963	14.74%
Bank's liabilities under acceptances	119,241	0.01%	192,219	0.01%	110,194	0.01%
Provisions	6,361,771	0.27%	5,844,837	0.27%	4,759,166	0.27%
Liabilities under insurance contracts	-	0.00%	-	0.00%	-	0.00%
Liabilities pending transfer	12,974,727	0.54%	13,722,933	0.64%	8,644,997	0.50%
Deferred tax liabilities	2,916,313	0.12%	3,609,474	0.17%	-	0.00%
Other liabilities	30,109,010	1.26%	26,377,283	1.23%	22,873,143	1.32%
Total liabilities	2,150,446,055	90.22%	1,943,272,680	90.58%	1,562,870,488	89.85%
Equity						
Share capital						
Authorised share capital						
3,584,508,358 preference shares of Baht 10 each	35,845,084	1.50%	35,849,680	1.67%	35,855,882	2.06%
3,415,491,642 ordinary shares of Baht 10 each	34,154,916	1.43%	34,150,320	1.59%	34,144,118	1.96%
Issued and paid-up share capital						
5,181,685 preference shares of Baht 10 each	51,817	0.00%	54,558	0.00%	60,296	0.00%
3,394,010,513 ordinary shares of Baht 10 each	33,940,105	1.42%	33,937,364	1.58%	33,931,626	1.95%
Premium on share capital						
Premium on preference shares	20,263	0.00%	21,335	0.00%	23,578	0.00%
Premium on ordinary shares	11,103,928	0.47%	11,102,856	0.52%	11,100,613	0.64%
Other reserves	18,472,303	0.77%	18,277,926	0.85%	20,499,582	1.18%
Retained earnings						
Appropriated						
Legal reserve	7,000,000	0.29%	7,000,000	0.33%	7,000,000	0.40%
Unappropriated	162,573,415	6.82%	131,648,794	6.14%	103,901,795	5.97%
Total shareholders' equity	233,161,831	9.78%	202,042,833	9.42%	176,517,490	10.15%
Total equity	233,161,831	9.78%	202,042,833	9.42%	176,517,490	10.15%
Total liabilities and equity	2,383,607,886	100.00%	2,145,315,513	100.00%	1,739,387,978	100.00%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31

(in thousand Baht)

(Consolidated)	2013		2012 (Restated)		2011	
Interest income	115,134,980	99.44%	98,330,926	101.89%	73,909,322	89.66%
Interest expense	47,743,068	41.24%	41,309,210	42.80%	27,417,325	33.26%
Net interest income	67,391,912	58.21%	57,021,716	59.09%	46,491,997	56.40%
Fees and service income	34,546,482	29.84%	29,946,610	31.03%	26,342,506	31.96%
Fees and service expense	4,623,774	3.99%	4,060,174	4.21%	3,452,967	4.19%
Net fees and service income	29,922,708	25.84%	25,886,436	26.82%	22,889,539	27.77%
Net trading income	8,762,625	7.57%	7,496,359	7.77%	6,289,908	7.63%
Net gain on investments	1,398,657	1.21%	195,090	0.20%	512,190	0.62%
Dividend income	8,049,628	6.95%	5,142,049	5.33%	5,627,866	6.83%
Other operating income	254,565	0.22%	764,188	0.79%	624,706	0.76%
Total operating income	115,780,095	100.00%	96,505,838	100.00%	82,436,206	100.00%
Other operating expenses						
Staff costs	18,551,303	16.02%	16,174,157	16.76%	15,325,116	18.59%
Directors' remuneration	89,570	0.08%	94,847	0.10%	87,295	0.11%
Premises and equipment expenses	8,702,255	7.52%	8,292,076	8.59%	7,798,839	9.46%
Taxes and duties	3,869,234	3.34%	3,551,557	3.68%	2,676,269	3.25%
Others	13,199,990	11.40%	11,144,867	11.55%	8,127,288	9.86%
Total operating expenses	44,412,352	38.36%	39,257,504	40.68%	34,014,807	41.26%
Impairment loss of loans and debt securities	13,747,548	11.87%	9,995,013	10.36%	6,856,064	8.32%
Profit before tax	57,620,195	49.77%	47,253,321	48.96%	41,565,335	50.42%
Income tax expense	9,922,741	8.57%	9,358,889	9.70%	9,693,565	11.76%
Net profit	47,697,454	41.20%	37,894,432	39.27%	31,871,770	38.66%
Other comprehensive income						
Change in revaluation surplus	-	0.00%	(3,865)	0.00%	5,533,439	6.71%
Gain (loss) on remeasuring available-for-sale investments	521,881	0.45%	2,630,573	2.73%	(65,902)	-0.08%
Foreign currency translation differences	-	0.00%	-	0.00%	-	0.00%
Actuarial losses on defined benefit plans	-	0.00%	(474,054)	-0.49%	-	0.00%
Income tax on other comprehensive income	(104,376)	-0.09%	(438,915)	-0.45%	-	0.00%
Total other comprehensive income, net of income tax	417,505	0.36%	1,713,739	1.78%	5,467,537	6.63%
Total comprehensive income	48,114,959	41.56%	39,608,171	41.04%	37,339,307	45.29%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31

(in thousand Baht)

(Bank Only)	2013	2012 (Restated)	2011
Cash flows from operating activities			
Profit before tax	57,620,195	47,253,321	41,565,335
<i>Adjustments for</i>			
Depreciation and amortisation	2,602,029	2,544,303	2,504,045
Impairment loss on loans and debt securities	14,791,575	10,852,758	7,581,685
Loss (reversal) on impairment of assets	-	(27,387)	(222,674)
Loss (reversal) on impairment of properties for sale	564,203	(38,305)	8,284
(Gain) loss on sales of premises and equipment	(6,103)	21,088	(3,948)
Net trading income	(8,762,625)	(7,496,359)	(6,289,908)
Net gain on investments	(1,398,657)	(195,090)	(512,190)
	65,410,617	52,914,329	44,630,629
Net interest income	(67,391,912)	(57,021,716)	(46,491,997)
Dividend income	(8,049,628)	(5,142,049)	(5,627,866)
Proceeds from interest	113,425,861	99,043,870	74,556,636
Interest paid	(44,248,373)	(38,067,240)	(22,413,470)
Proceeds from dividend	8,049,313	5,142,049	5,629,123
Income tax paid	(8,713,660)	(8,929,662)	(10,582,637)
Income from operations before changes in operating assets & liabilities	58,482,218	47,939,581	39,700,418
<i>(Increase) decrease in operating assets</i>			
Interbank and money market items	(4,466,401)	(35,074,226)	31,637,974
Claims on securities	(3,088,940)	-	-
Derivative assets	(6,140,132)	6,050,288	3,390,926
Investment in securities for trading	(25,257,597)	(11,751,785)	(6,758,177)
Loans to customers	(203,399,450)	(277,197,408)	(235,588,456)
Properties for sale	8,418,808	6,898,579	3,933,759
Other assets	(7,264,601)	(5,677,475)	21,993,329
<i>Increase (decrease) in operating liabilities</i>			
Deposits	206,139,693	435,130,419	88,962,940
Interbank and money market items	12,084,225	56,902,029	5,093,691
Liabilities payable on demand	(1,195,306)	2,664,741	31,787
Liabilities to deliver security	3,088,940	-	-
Derivative liabilities	21,843,225	(3,838,874)	(316,617)
Short-term debt issued and borrowings	(40,744,318)	(197,228,504)	186,724,737
Other liabilities	(2,045,986)	6,847,205	(21,367,927)
Net cash from operating activities	16,454,378	31,664,570	117,438,384

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (BANK ONLY)
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31 (continued)

	(in thousand Baht)		
(Bank Only)	2013	2012 (Restated)	2011
<i>Cash flows from investing activities</i>			
Purchases of available-for-sale securities	(375,075,415)	(376,440,680)	(227,952,920)
Proceeds from sales of available-for-sale securities	377,152,044	276,391,614	119,766,072
Purchases of held-to-maturity securities	(1,146,832)	(1,048,364)	(1,053,295)
Proceeds from redemption of held-to-maturity securities	5,686,003	9,122,904	8,242,663
Purchases of general securities	(1,688)	(45,180)	(583)
Proceeds from sales of general securities	567,935	20,375	6,332
Purchases of investments in subsidiaries and/or associate	(60,659)	(420,596)	(10,914,107)
Proceeds from sales of investments in subsidiaries and/or associate	-	135,735	1,104,825
Purchases of premises and equipment	(2,065,815)	(2,915,024)	(2,436,816)
Proceeds from sales of premises and equipment	259,665	133,590	270,733
Purchases of intangible assets	(408,164)	(645,266)	(505,945)
Net cash (used in) from investing activities	4,907,074	(95,710,892)	(113,473,041)
<i>Cash flows from financing activities</i>			
Proceeds from long-term debt issued and borrowings	-	73,693,000	6,529,383
Dividend paid to equity holders of the Bank	(16,995,961)	(11,897,173)	(10,197,576)
Net cash (used in) from financing activities	(16,995,961)	61,795,827	(3,668,193)
Net increase (decrease) in cash	4,365,491	(2,250,495)	297,150
Cash at 1 January	31,218,439	33,468,934	33,171,784
Cash at 31 December	35,583,930	31,218,439	33,468,934
Supplementary disclosures of cash flow information			
Significant non-cash items were as follows:			
Change in revaluation surplus *	-	(3,092)	n.a.
Gain (loss) on remeasuring available-for-sale investments *	417,505	2,104,459	n.a.
Properties for sale from loan payment	9,180,968	4,724,762	n.a.

* Net of deferred revenue

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31

(in thousand Baht)

Assets	2013		2012 (Restated)		2011	
Cash	35,755,178	1.41%	31,322,453	1.38%	33,701,257	1.82%
Interbank and money market items, net	171,521,721	6.77%	162,754,864	7.17%	125,003,304	6.76%
Claims on security	3,088,940	0.12%	-	0.00%	-	0.00%
Derivative assets	46,227,997	1.82%	28,759,539	1.27%	28,198,279	1.53%
Investments, net	504,187,762	19.90%	458,296,782	20.19%	321,671,755	17.40%
Investments in subsidiaries and associate, net	684,835	0.03%	646,652	0.03%	699,561	0.04%
Loans to customers and accrued interest receivables, net						
Loans to customers	1,758,963,941	69.41%	1,568,784,504	69.11%	1,306,393,160	70.68%
Accrued interest receivables	4,132,477	0.16%	3,463,427	0.15%	2,999,976	0.16%
Total loans to customers and accrued interest receivables	1,763,096,418	69.57%	1,572,247,931	69.26%	1,309,393,136	70.84%
Less deferred revenue	(23,683,011)	-0.93%	(21,298,794)	-0.94%	(13,710,151)	-0.74%
Less allowance for doubtful accounts	(59,942,281)	-2.37%	(51,510,103)	-2.27%	(45,405,542)	-2.46%
Less revaluation allowance for debt restructuring	(374,330)	-0.01%	(445,628)	-0.02%	(589,811)	-0.03%
Total loans to customers and accrued interest receivables, net	1,679,096,796	66.26%	1,498,993,406	66.03%	1,249,687,632	67.61%
Customers' liabilities under acceptances	119,241	0.00%	192,219	0.01%	110,194	0.01%
Properties for sale, net	9,649,522	0.38%	9,455,896	0.42%	11,765,050	0.64%
Premises and equipment, net	35,374,687	1.40%	35,392,512	1.56%	34,772,020	1.88%
Goodwill and other intangible assets, net	11,453,899	0.45%	11,420,142	0.50%	11,256,139	0.61%
Reinsurance receivables and assets	919,670	0.04%	3,770,019	0.17%	10,998,360	0.60%
Assets pending transfer	4,708,520	0.19%	12,660,556	0.56%	6,273,675	0.34%
Deferred tax assets	561,564	0.02%	471,020	0.02%		0.00%
Other assets, net	30,855,462	1.22%	15,930,813	0.70%	14,240,939	0.77%
Total assets	2,534,205,794	100.00%	2,270,066,873	100.00%	1,848,378,165	100.00%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31 (continued)

(in thousand Baht)

Liabilities and equity	2013		2012 (Restated)		2011	
Liabilities						
Deposits	1,822,910,994	71.93%	1,614,059,199	71.10%	1,184,387,802	64.08%
Interbank and money market items	119,126,611	4.70%	107,063,207	4.72%	53,431,298	2.89%
Liabilities payable on demand	8,406,273	0.33%	9,602,881	0.42%	6,905,019	0.37%
Liabilities to deliver security	3,088,940	0.12%	-	0.00%	-	0.00%
Derivative liabilities	46,826,492	1.85%	24,972,679	1.10%	28,818,615	1.56%
Debt issued and borrowings	95,011,869	3.75%	132,576,966	5.84%	255,842,963	13.84%
Bank's liabilities under acceptances	119,241	0.00%	192,219	0.01%	110,194	0.01%
Provisions	6,704,276	0.26%	6,154,980	0.27%	5,139,207	0.28%
Liabilities under insurance contracts	129,203,893	5.10%	107,302,084	4.73%	89,040,860	4.82%
Liabilities pending transfer	13,094,312	0.52%	13,442,623	0.59%	8,914,689	0.48%
Deferred tax liabilities	3,058,719	0.12%	3,996,214	0.18%		0.00%
Other liabilities	38,614,099	1.52%	35,361,331	1.56%	28,604,607	1.55%
Total liabilities	2,286,165,719	90.21%	2,054,724,383	90.51%	1,661,195,254	89.87%
Equity						
Share capital						
Authorised share capital						
3,584,508,358 preference shares of Baht 10 each	35,845,084	1.41%	35,849,680	1.58%	35,855,882	1.94%
3,415,491,642 ordinary shares of Baht 10 each	34,154,916	1.35%	34,150,320	1.50%	34,144,118	1.85%
Issued and paid-up share capital						
5,181,685 preference shares of Baht 10 each	51,817	0.00%	54,558	0.00%	60,296	0.00%
3,394,010,513 ordinary shares of Baht 10 each	33,940,105	1.34%	33,937,364	1.49%	33,931,626	1.84%
Premium on share capital						
Premium on preference shares	20,263	0.00%	21,335	0.00%	23,578	0.00%
Premium on ordinary shares	11,103,928	0.44%	11,102,856	0.49%	11,100,613	0.60%
Other reserves	18,586,678	0.73%	19,639,340	0.87%	20,921,165	1.13%
Retained earnings						
Appropriated						
Legal reserve	7,000,000	0.28%	7,000,000	0.31%	7,000,000	0.38%
Unappropriated	175,569,326	6.93%	142,033,737	6.26%	112,833,679	6.10%
Total shareholders' equity	246,272,117	9.72%	213,789,190	9.42%	185,870,957	10.06%
Non-controlling interests	1,767,958	0.07%	1,553,300	0.07%	1,311,954	0.07%
Total equity	248,040,075	9.79%	215,342,490	9.49%	187,182,911	10.13%
Total liabilities and equity	2,534,205,794	100.00%	2,270,066,873	100.00%	1,848,378,165	100.00%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)
STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31

(in thousand Baht)

(Consolidated)	2013		2012 (Restated)		2011	
Interest income	120,691,136	97.70%	103,399,392	100.40%	77,946,828	85.62%
Interest expense	47,682,348	38.60%	41,294,910	40.10%	27,420,781	30.12%
Net interest income	73,008,788	59.10%	62,104,482	60.30%	50,526,047	55.50%
Fees and service income	29,574,330	23.94%	24,826,040	24.11%	23,662,965	25.99%
Fees and service expense	5,098,273	4.13%	4,369,820	4.24%	3,856,868	4.24%
Net fees and service income	24,476,057	19.81%	20,456,220	19.86%	19,806,097	21.76%
Net trading income	9,079,223	7.35%	7,511,370	7.29%	6,286,726	6.91%
Net gain on investments	2,276,601	1.84%	1,292,525	1.26%	5,329,579	5.85%
Share of profit of associates	(7,169)	-0.01%	1,457	0.00%	401,980	0.44%
Dividend income	3,781,790	3.06%	962,094	0.93%	1,028,474	1.13%
Net earned insurance premiums	49,061,214	39.72%	44,471,860	43.18%	28,695,761	31.52%
Other operating income	726,649	0.59%	1,338,117	1.30%	1,398,352	1.54%
Total operating income	162,403,153	131.47%	138,138,125	134.13%	113,473,016	124.65%
Net insurance claims	38,871,499	31.47%	35,153,266	34.13%	22,437,521	24.65%
Net operating income	123,531,654	100.00%	102,984,859	100.00%	91,035,495	100.00%
Other operating expenses						
Staff costs	21,391,116	17.32%	18,735,657	18.19%	17,508,629	19.23%
Directors' remuneration	97,387	0.08%	105,145	0.10%	97,110	0.11%
Premises and equipment expenses	9,554,902	7.73%	9,148,354	8.88%	8,645,280	9.50%
Taxes and duties	4,026,165	3.26%	3,681,998	3.58%	2,775,503	3.05%
Others	12,247,290	9.91%	10,730,417	10.42%	7,856,962	8.63%
Total operating expenses	47,316,860	38.30%	42,401,571	41.17%	36,883,484	40.52%
Impairment loss of loans and debt securities	13,641,290	11.04%	9,396,164	9.12%	6,630,491	7.28%
Profit before tax	62,573,504	50.65%	51,187,124	49.70%	47,521,520	52.20%
Income tax expense	11,821,413	9.57%	11,667,108	11.33%	11,212,786	12.32%
Net profit	50,752,091	41.08%	39,520,016	38.37%	36,308,734	39.88%
Other comprehensive income						
Change in revaluation surplus	350,713	0.28%	(3,865)	0.00%	5,568,365	6.12%
Gain (loss) on remeasuring available-for-sale investments	(1,464,863)	-1.19%	4,120,913	4.00%	(132,889)	-0.15%
Foreign currency translation differences	116,726	0.09%	(58,157)	-0.06%	82,651	0.09%
Actuarial losses on defined benefit plans	-	0.00%	(507,938)	-0.49%	-	0.00%
Share of other comprehensive income of associate	(33,096)	-0.03%	(40,940)	-0.04%	(19,514)	-0.02%
Income tax on other comprehensive income	196,988	0.16%	(779,558)	-0.76%	-	0.00%
Total other comprehensive income, net of income tax	(833,532)	-0.67%	2,730,455	2.65%	5,498,613	6.04%
Total comprehensive income	49,918,559	40.41%	42,250,471	41.03%	41,807,347	45.92%

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31

(in thousand Baht)

(Consolidated)	2013	2012 (Restated)	2011
<i>Cash flows from operating activities</i>			
Profit before tax	62,573,504	51,187,124	47,521,520
<i>Adjustments for</i>			
Depreciation and amortisation	2,261,555	2,771,764	2,803,391
Impairment loss on loans and debt securities	14,744,534	11,629,690	7,466,649
Loss (reversal) on impairment of assets	19,308	(27,387)	(222,674)
Loss (reversal) on impairment of properties for sale	563,794	(39,510)	8,284
(Gain) loss on sales of premises and equipment	(8,377)	(2,099)	(10,239)
Net trading income	(9,079,223)	(7,511,370)	(6,286,726)
Net gain on investments	(2,276,601)	(1,292,525)	(5,329,579)
Share of loss (profit) of associate	7,169	(1,457)	(401,980)
Negative goodwill	-	-	(259,233)
	68,805,663	56,714,230	45,289,413
Net interest income	(73,008,788)	(62,104,482)	(50,526,047)
Dividend income	(3,781,790)	(962,094)	(1,028,474)
Proceeds from interest	119,042,376	104,074,385	78,163,029
Interest paid	(44,195,655)	(38,098,442)	(22,373,266)
Proceeds from dividend	3,778,116	973,759	1,014,407
Income tax paid	(10,945,828)	(10,867,670)	(12,105,801)
Income from operations before changes in operating assets and liabilities	59,694,094	49,729,686	38,433,261
<i>(Increase) decrease in operating assets</i>			
Interbank and money market items	(7,981,506)	(38,762,970)	31,834,014
Claims on securities	(3,088,940)	-	-
Derivative assets	(5,883,868)	6,052,310	3,390,926
Investment in securities for trading	(25,377,958)	(11,586,707)	(7,321,568)
Loans to customers	(204,719,201)	(264,400,118)	(230,315,525)
Properties for sale	8,920,007	7,353,673	4,440,230
Reinsurance receivables and assets	2,850,349	7,228,341	(10,429,740)
Other assets	(6,675,114)	(8,720,505)	23,178,822
<i>Increase (decrease) in operating liabilities</i>			
Deposits	208,851,795	429,671,397	82,058,940
Interbank and money market items	12,063,404	53,631,909	5,226,426
Liabilities payable on demand	(1,196,608)	2,697,862	21,797
Liabilities to deliver security	3,088,940	-	-
Derivative liabilities	21,853,813	(3,845,936)	(316,617)
Short-term debt issued and borrowings	(40,787,697)	(196,679,131)	185,064,737
Other liabilities	20,090,350	27,307,429	5,988,844
Net cash from operating activities	41,701,860	59,677,240	131,254,547

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)
STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31 (continued)

(in thousand Baht)

(Consolidated)	2013	2012 (Restated)	2011
<i>Cash flows from investing activities</i>			
Purchases of available-for-sale securities	(393,826,567)	(414,779,318)	(260,500,988)
Proceeds from sales of available-for-sale securities	393,954,898	305,940,454	147,000,256
Purchases of held-to-maturity securities	(96,066,018)	(12,109,116)	(11,424,701)
Proceeds from redemption of held-to-maturity securities	77,099,680	41,111	10,153,743
Purchases of general securities	(1,688)	(108,341)	(15,477)
Proceeds from sales of general securities	567,935	53,985	8,477
Purchases of investments in subsidiaries and/or associate	(60,659)	-	(10,836,744)
Proceeds from sales of investments in subsidiaries and/or associate	-	767,907	99,567
Purchases of premises and equipment	(1,588,656)	(3,150,709)	(2,885,838)
Proceeds from sales of premises and equipment	263,190	322,516	500,068
Purchases of intangible assets	(567,617)	(657,177)	(556,686)
Net cash (used in) from investing activities	(20,225,502)	(123,678,688)	(128,458,323)
<i>Cash flows from financing activities</i>			
Proceeds from long-term debt issued and borrowings	-	73,693,000	7,909,383
Dividend paid to equity holders of the Bank	(16,995,961)	(11,897,173)	(10,197,576)
Dividend paid to non-controlling interests	(164,398)	(115,026)	-162,435
Net cash (used in) from financing activities	(17,160,359)	61,680,801	(2,450,628)
Foreign currency translation differences	116,726	(58,157)	82,651
Net increase (decrease) in cash	(37,269,135)	(62,056,044)	428,247
Cash at 1 January	31,322,453	33,701,257	33,273,010
Cash at 31 December	(5,946,682)	(28,354,787)	33,701,257
Supplementary disclosures of cash flow information			
Significant non-cash items were as follows:			
Change in revaluation surplus *	225,450	(3,092)	n.a.
Gain (loss) on remeasuring available-for-sale investments *	(1,020,888)	3,156,236	n.a.
Foreign currency translation differences	116,726	(58,157)	n.a.
Share of other comprehensive income of associate	(33,096)	(40,940)	n.a.
Properties for sale from loan payment	9,677,427	5,005,009	n.a.

* Net of deferred revenue

THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED (CONSOLIDATED)
FINANCIAL RATIOS

	2013	2012 (Restated)	2011
PROFITABILITY RATIO			
Operating Profit Margin ⁽¹⁾	52.00%	51.07%	56.65%
Net Profit Margin	40.66%	38.10%	39.84%
Return on Equity	21.84%	19.74%	21.33%
Yield ⁽²⁾	6.67%	6.61%	5.94%
Cost of Funds ⁽³⁾	2.44%	2.46%	2.02%
Spread ⁽⁴⁾	4.23%	4.16%	3.91%
Return on Investment	3.22%	3.27%	5.18%
EFFICIENCY RATIO			
Cost Income Ratio	38.30%	41.17%	40.52%
Net Interest Income to Asset	3.04%	3.02%	3.07%
Return on Asset	2.09%	1.91%	2.20%
Asset Turnover Ratio (times)	0.05	0.05	0.06
FINANCIAL POLICY RATIO			
Liability to Total Equity (Times)	9.22	9.54	8.87
Loan to Borrowing Ratio	90.08%	88.11%	89.33%
Loan to Deposit Ratio	95.19%	95.88%	109.14%
Deposit to Liability Ratio	79.74%	78.55%	71.30%
Dividend payout ⁽⁵⁾	35.53%	38.99%	32.80% ⁽⁶⁾
Total Capital Funds (Bank only) ⁽⁷⁾	15.27%	16.47%	14.54%
ASSET QUALITY RATIO			
Allowance for Doubtful Account to Loan and Accrued Interest Receivables	3.45%	3.32%	3.50%
Credit Cost ⁽⁸⁾	0.83%	0.66%	0.56%
% Non-Performing Loan to Total Loans ⁽⁹⁾	2.14%	2.13%	2.61%
Accrued Interest Receivables to Loan and Accrued Interest Receivables	0.24%	0.22%	0.23%

Remark:

(1) Operating Profit Margin = (Net interest income + net fee income + net insurance premium - tax and duties) / (Total interest income + gross fee income + gross insurance premium)

(2) Yield = Total interest income / (avg. loans + avg. interbank and money market assets)

(3) Cost of Funds = Total interest expense / (avg. deposits + avg. borrowings + avg. liability payable on demand + avg. interbank and money market liabilities)

(4) Spread = Yield - Cost of Funds

(5) Dividend payment in 2013 was Baht 5.25 per share (ordinary and preferred shares) as proposed to the Annual General Meeting of Shareholders in April 2014. (Interim dividend Baht 1.50 per share)

(6) Dividend payout ratio in 2011 would be 38% if extraordinary profit is excluded

(7) Total capital funds in 2011-2012 were derived using the Basel II standardized approach

(8) Credit cost = Provision / avg. loans

(9) % Non-Performing Loan to Total Loans used the guidelines specified in the BoT's notification

14. Management Discussion and Analysis

Management Discussion and Analysis

For year ended December 31, 2013

IMPORTANT DISCLAIMER:

The information contained in this document has been prepared from several sources, and Siam Commercial Bank Pcl (the "Bank") cannot confirm, in all cases, the accuracy and completeness of such data, particularly where sourced from outside the Bank. In addition, any forward looking statements are subject to change as a result of market conditions and the final outcome may be different to that indicated. The Bank makes no representation or warranty of any type whatsoever on the accuracy or completeness of the information contained herein.

Siam Commercial Bank PCL reported (audited) consolidated **net profit** of Baht 50,233 million for 2013 - a 28.0% yoy increase of Baht 10,998 million from the Baht 39,235 million recorded in 2012. The significant **year-on-year** increase in net profit was largely attributed to: higher net interest income from loan growth as well as a larger component of higher yielding loans; solid growth in net fee and insurance premium income; significantly higher dividend income; and higher net trading and FX income. These gains were partly offset by substantially higher prudent provisions, although loan portfolio quality remains stable.

Operating profit (excluding impairment loss and/or provisions on loans and debt securities, income tax and non-controlling interest) increased by 25.8% yoy to Baht 76,215 million from Baht 60,583 million in 2012 due to the substantial increases in both net interest income and non-interest income as described above.

Total comprehensive income increased 18.3% yoy to Baht 49,517 million from Baht 41,869 million in 2012 as a result of the higher net profit but partly offset by a loss on the revaluation of the available-for-sale investment portfolio as a result of market volatility toward the year-end.

As a result of the higher net profit, earnings per share (EPS) rose by 28.0% to Baht 14.78 in 2013 from Baht 11.54 in 2012. Return on average equity (ROAE) and return on average assets (ROAA) increased from 19.7% and 1.9% in 2012 to 21.8% and 2.1%, respectively.

Net Profit and Total Comprehensive Income

Unit: Baht Million

Net Profit and Total Comprehensive Income (Consolidated)	2013	2012 (restated)	%yoy
Net interest income	73,009	62,104	17.6%
Non-interest income	50,523	40,880	23.6%
Non-interest expenses	47,317	42,402	11.6%
Operating profit	76,215	60,583	25.8%
Impairment loss on loans and debt securities	13,641	9,396	45.2%
Income tax*	11,821	11,667	1.3%
Non-controlling interest	519	285	82.2%
Net profit (attributable to shareholders of the Bank)*	50,233	39,235	28.0%
Other comprehensive income*	(716)	2,634	-127.2%
Total comprehensive income*	49,517	41,869	18.3%
EPS (Baht)*	14.78	11.54	28.0%
ROE*	21.8%	19.7%	
ROA*	2.1%	1.9%	

* Following the adoption of deferred tax accounting in 2013, the prior year amounts for income tax, net profit, other comprehensive income, total comprehensive income, EPS, ROE and ROA have been restated and the above comparison is to the restated amounts. Before such restatement, the % change for income tax, net profit, other comprehensive income, total comprehensive income, and EPS would be 10.7%, 24.9%, -121.1%, 13.5% and 24.9% on a yoy basis for the yearly comparison.

I. Income Statement for 2013 (Consolidated basis)**1. Net interest income**

Net interest income rose 17.6% **yoy** to Baht 73,009 million in 2013 from Baht 62,104 million in 2012. The increase in interest income was primarily a result of the loan growth of 12.1% yoy, a larger component of higher yield loans and a larger liquid assets portfolio comprising mostly government bonds. Interest expenses increased mainly from the higher volume of deposits (+12.9% yoy) and the corresponding higher contribution to FIDF/deposit insurance fees. The increase in interest expenses was partly offset by the continuing decline in the volume of Bills of Exchange (B/E) and the associated interest expenses on borrowings.

Unit: Baht Million

Net Interest Income and Yield (Consolidated)	2013	2012 (restated)	%yoy
Interest income	120,691	103,399	16.7%
- Loans	91,753	78,965	16.2%
- Interbank and money markets	5,028	4,789	5.0%
- Automobile and financial lease income	10,668	8,170	30.6%
- Investments	13,226	11,469	15.3%
- Other	16	6	181.2%
Interest expenses	47,682	41,295	15.5%
- Deposits	33,943	26,567	27.8%
- Interbank and money markets	1,839	1,617	13.7%
- Borrowings	3,914	6,449	-39.3%
- Contribution to the Deposit Protection Agency/FIDF	7,980	6,657	19.9%
- Other	6	5	26.4%
Net interest income	73,009	62,104	17.6%
Net interest margin	3.19%	3.18%	0.01%
Yield on earning assets	5.27%	5.29%	-0.02%
Yield on loans	6.24%	6.14%	0.10%
Yield on interbank	3.01%	3.33%	-0.32%
Yield on investment	2.75%	2.94%	-0.19%
Cost of funds*	2.45%	2.47%	-0.02%
Cost of deposits**	2.44%	2.37%	0.07%
Spread (yield on earning assets – cost of funds)	2.82%	2.82%	0.00%

Note Profitability ratios are calculated by averaging the beginning and ending balance for the period as the denominator.

* Cost of funds = interest expenses (including the contribution to FIDF/DPA) / interest-bearing liabilities.

** Cost of deposits includes the contribution to the Deposit Protection Agency and FIDF fee.

Interest income in 2013 was Baht 120,691 million, a 16.7% **yoy** increase of Baht 17,292 million from Baht 103,399 million in 2012. Major highlights were as follows:

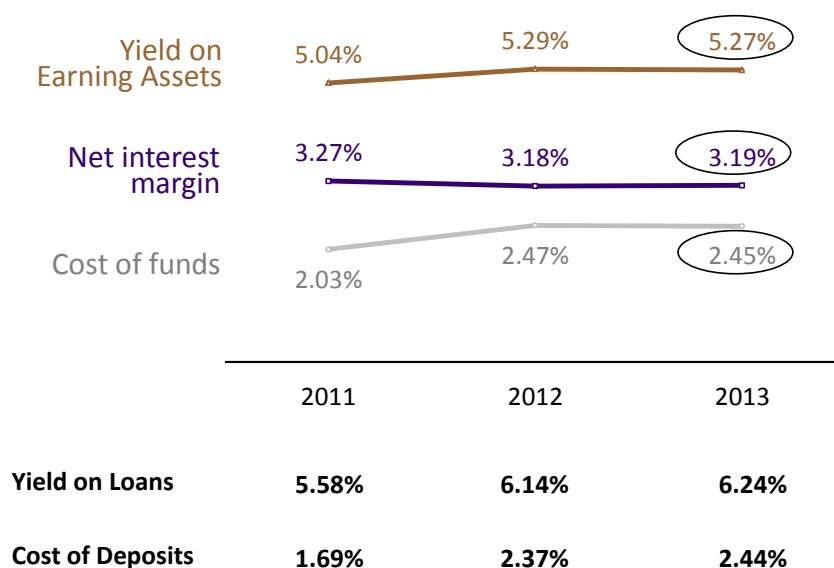
- **Interest income from loans** increased 16.2% yoy to Baht 91,753 million from both loan growth of 12.1% yoy and a larger component of higher-yield loans;
- **Automobile and financial lease** income increased 30.6% yoy to Baht 10,668 million mainly from a 9.9% yoy growth in automobile loans mainly from the government's tax rebate scheme for first-time car buyers - although further growth has been sharply curtailed since deliveries of cars sold under the scheme were completed at the end of June 2013;
- **Interest income from interbank and money markets** increased 5.0% yoy mainly due to the higher volume of interbank and money market balances in 2013 compared to a year earlier;
- **Interest income from investments** increased by 15.3% yoy to Baht 13,226 million, mainly from the larger portfolio of liquid assets - comprised largely of government bonds.

At the same time, **interest expenses** increased 15.5% yoy to Baht 47,682 million in 2013, mainly from the growth of the deposit base by 12.9% yoy (which includes the progressive migration of some of the maturing B/E to term deposits) and the launch of several higher-rate fixed deposit campaigns. Interest expenses from borrowings decreased 39.3% mainly due to the decline in the volume of B/E and the early redemption of subordinated debt which no longer qualified for Tier II capital under Basel III. Contribution to the FIDF and Deposit Protection Agency (DPA) fee increased 19.9% yoy in line with the expansion of the Bank's deposit base over the year.

SCB Interest Rates	Jul 9, 12	Oct 22, 12	Nov 2, 12	Jan 17, 13	Mar 8, 13	May 17, 13	Nov 29, 13	Dec 2, 13	Dec 23, 13
Lending rate (%)									
MLR	7.125	7.00	7.00	7.00	7.00	7.00	6.75	6.75	6.75
MOR	7.425	7.425	7.425	7.425	7.425	7.425	7.425	7.425	7.425
MRR	8.10	8.10	8.10	8.10	8.10	8.10	8.00	8.00	8.00
Deposit rate* (%)									
Savings rate	0.75	0.75	0.75	0.75	0.75	0.75	0.625	0.625	0.625
3-month deposits	1.85-3.00	1.75-2.10	1.65-2.05	1.60-2.00	1.60-2.75	1.60-3.00	1.55-2.85	1.55-2.50	1.50-2.50
6-month deposits	2.30-3.35	2.15-2.35	2.00-2.25	2.00-2.80	2.00-2.80	2.00-3.00	1.85-2.85	1.85-2.10	1.80-2.00
12-month deposits	2.75-3.30	2.50-2.75	2.40-2.60	2.35-2.50	2.35-2.85	2.35-3.20	2.20-3.05	2.20-2.75	2.15-2.25
	Apr 20, 11	Jun 1, 11	Jul 13, 11	Aug 24, 11	Nov 30, 11	Jan 25, 12	Oct 17, 12	May 29, 13	Nov 27, 13
Policy rate (%)	2.75	3.00	3.25	3.50	3.25	3.00	2.75	2.50	2.25

* Excludes special campaigns which were generally at significantly higher rates but with different terms and other conditions to the 3, 6, 12 month term deposits.

Yield on Earning Assets, NIM and Cost (Percentage)



The net interest margin (NIM) for 2013 of 3.19% was relatively flat yoy and was in line with the Bank's full year target range of 3.1-3.2% for 2013.

2. Non-interest income

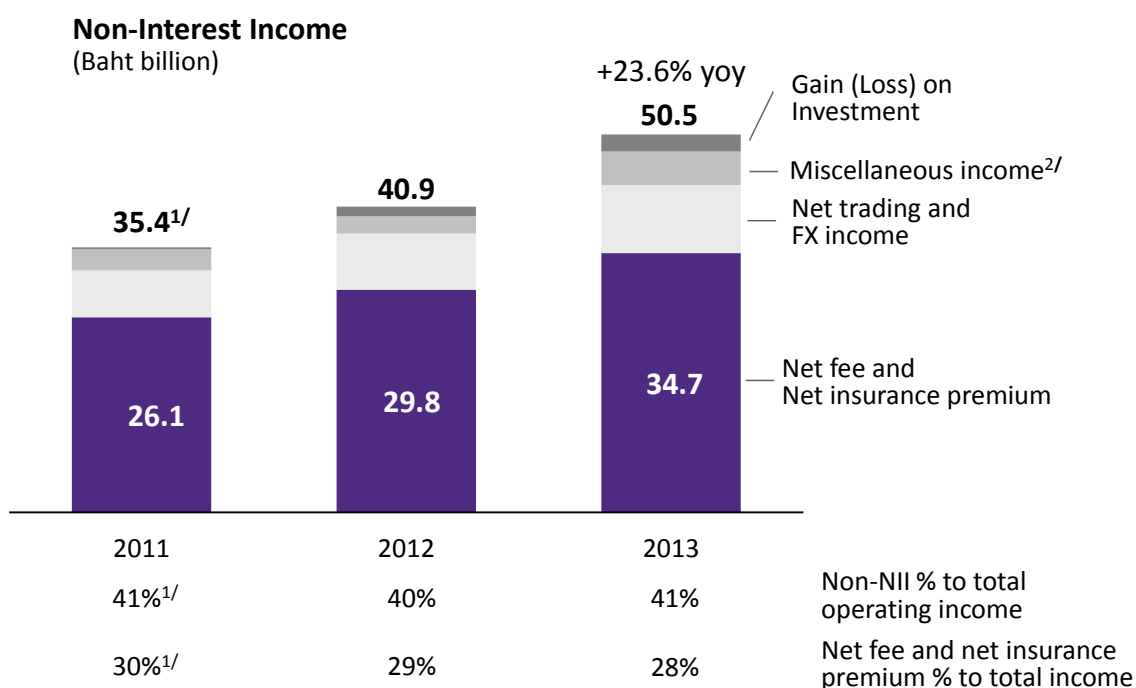
Non-interest income rose 23.6% yoy to Baht 50,523 million in 2013, which was the result of solid growth in net fee and insurance premium income, higher dividend income, higher net trading and FX income as well as higher gain on investment. Additional details of non-interest income yoy are as follows:

- **Net fee and insurance premium income** (net of claims) increased 16.4% yoy from higher net fee income (+19.7% yoy) from corporate finance fees, brokerage fees and the card-related business together with higher insurance premium income (+9.3% yoy);
- **Net trading and FX income** increased 20.9% yoy, mainly as a result of the higher customer transaction flow and activities in the financial markets;
- **Dividend income** increased significantly by 293.1% yoy primarily as the result of exceptional dividend from an investment in the Bank's equity portfolio and the higher dividend from the Vayupak Fund; and
- **Gain on investments** increased 76.1% yoy as a result of a one-time gain on the redemption of the Vayupak Fund in 4Q13 as the closed-end fund matured.

Unit: Baht Million

Non-Interest Income (Consolidated)	2013	2012 (restated)	%yoy
<i>Fee and service income</i>	29,574	24,826	19.1%
<i>Less fee and service expenses</i>	5,098	4,370	16.7%
Net fee and service income	24,476	20,456	19.7%
<i>Net earned insurance premiums</i>	49,061	44,472	10.3%
<i>Less net insurance claims</i>	38,871	35,153	10.6%
Net insurance premiums	10,190	9,319	9.3%
Net fee and insurance premium	34,666	29,775	16.4%
Net trading and FX income	9,079	7,511	20.9%
Share of profit of associates	(7)	1	NM
Dividend income	3,782	962	293.1%
Other income	727	1,338	-45.7%
Non-interest income excluding gain on investments	48,246	39,587	21.9%
Gain on investments	2,277	1,293	76.1%
Total non-interest income	50,523	40,880	23.6%

NM denotes "not meaningful"

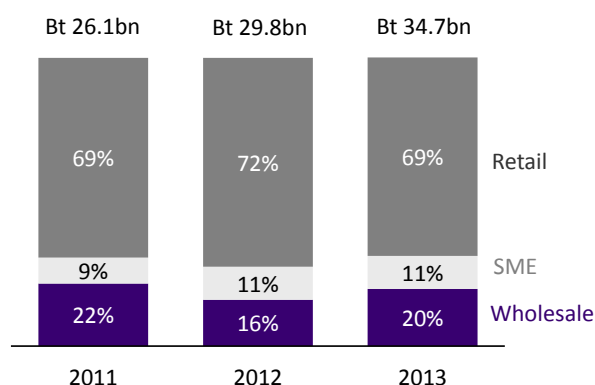


^{1/} Excluding Baht 5.1 billion one-time investment revaluation gain on the acquisition of additional shares in SCB Life. (If this gain was included, the Non-NII for 2011 would stand at Baht 40.5 billion).

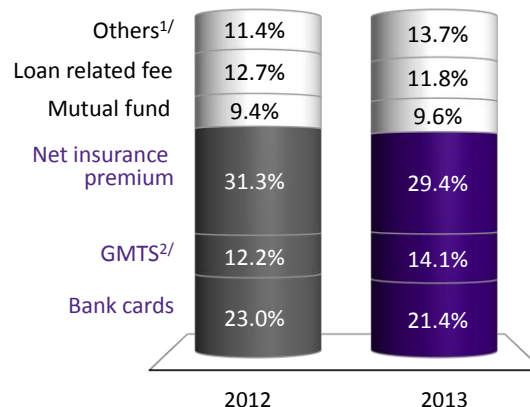
^{2/} Miscellaneous income includes income from the equity interest in affiliated companies, dividends, and other income.

In 2013, **non-interest income** accounted for 41% of total income, while net fee and net insurance premium income made up 28% of total income. The Retail Banking segment contributed about 69% of total net fee and insurance premium income in 2013, down from 72% in 2012, while net fee and insurance premium income from Wholesale Banking rose to 20% in 2013 from 16% in 2012. This is in line with the Bank's strategy to increase the aggregate fee income contribution from Wholesale Banking and SME Banking through a sharper focus on fee-based activities in these business segments and this contribution will, over the medium term, increase the proportion of fee-based income for the Bank as a whole.

Net Fee and Insurance Premium Breakdown by Business Unit (Percentage)



Net Fee and Insurance Premium Breakdown (Percentage)



^{1/} Others include brokerage fee, fund transfer, remittance, etc.

^{2/} GMTS stands for Global Markets and Transaction Services, which includes cash management, trade finance, corporate finance and corporate trust

3. Non-interest expenses

Non-interest expenses increased 11.6% yoy to Baht 47,317 million in 2013 from Baht 42,402 million in 2012. The increase is attributable to the following reasons:

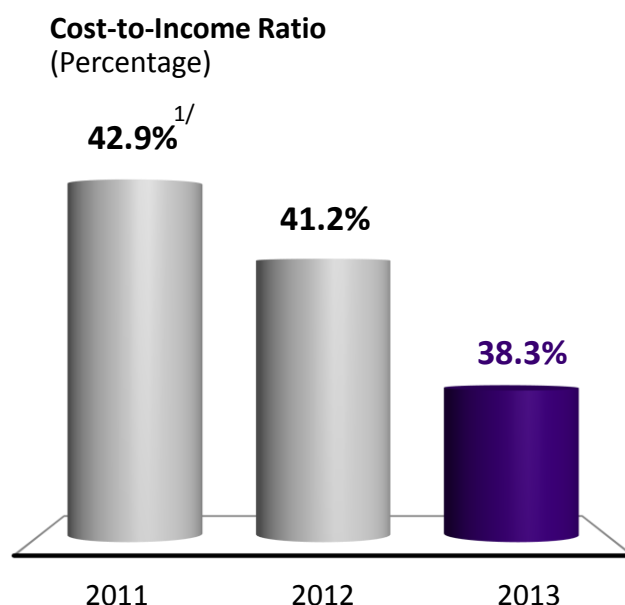
- **Staff costs** increased 14.2% yoy mainly as a result of annual salary adjustments, a higher level of accrued performance bonus and the increase in the number of employees over this period;
- **Premises and equipment expenses** increased 4.4% yoy as a result of continued investments in network expansion and the on-going systems enhancement initiatives;
- **Taxes and duties** increased 9.3% yoy as the higher interest income from loans attracted a corresponding increase in special business tax;
- **Other expenses** increased 14.1% yoy mainly due to higher marketing and promotion expenses and higher losses from the sale of foreclosed and repossessed assets.

Unit: Baht Million

Non-Interest Expenses (Consolidated)	2013	2012 (restated)	%yoy
Staff costs	21,391	18,736	14.2%
Premises and equipment expenses	9,555	9,148	4.4%
Tax and duties	4,026	3,682	9.3%
Director remuneration	97	105	-7.4%
Other expenses	12,247	10,730	14.1%
Total non-interest expenses	47,317	42,402	11.6%
Cost to income ratio	38.3%	41.2%	

In 2013, the cost-to-income ratio was 38.3%, a significant improvement from the 41.2% recorded in 2012. This was a result of a robust growth of total income by 20.0% compared with 11.6% growth in operating expenses. Also, this ratio was much better than the 2013 full year guidance of 40-42% that the Bank provided at the start of the year.

The Bank's capital expenditure continues to be effectively managed and reflects the ongoing investment in network expansion and the strategic systems enhancement initiatives required in the rapidly changing competitive landscape. The outlay on these investments is unlikely to have a significant impact on the cost-to-income ratio level in the near future.



^{1/} Excluding the one-time investment gain in 2011 on the acquisition of additional shares in SCB Life.
If this gain is included, the cost to income ratio would stand at 40.5%.

4. Loan loss provisions

The Bank's provisioning guidance for 2013 was to set aside loan loss provisions of approximately 60-65bps of total loans outstanding on a bank-only basis. These credit costs incorporate a reasonable quantum of prudential provisions for future uncertainties. In 2013, the Bank has set aside substantial additional loan impairment provisions (on a **consolidated** basis) of Baht 13,641 million or credit cost of about 83bps in 2013 (including additional prudential provision as a counter-cyclical buffer), compared to Baht 9,396 million in 2012; an increase of Baht 4,245 million (45.2% yoy). On a bank basis, total impairment loss provisions was Baht 13,748 million or credit costs of about 84bps.

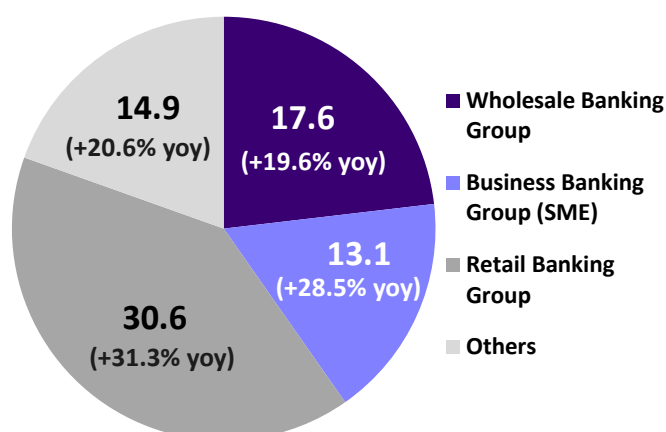
The Bank's total allowance for doubtful accounts at the end of December 2013 stood at Baht 60,317 million, an increase of 16.1% yoy from Baht 51,956 million at the end of December 2012, while total NPLs increased by Baht 4,119 million from end-2012 to Baht 39,992 million at end-2013. The ratio of NPL-to-loans was relatively flat at 2.14% at end-2013, while the coverage level for NPLs has increased from 144.8% at the end of 2012 to 150.8% at the end of 2013.

5. Segments analysis

The Bank has four business segments: the Wholesale Banking Group (WBG) which serves corporate and commercial customers; the Business Banking Group (BBG) which serves SME customers; the Retail Banking Group (RBG) which serves individuals and small businesses; and the Special Business Group (SBG) which is responsible for NPL resolution. In addition, the Bank has four major subsidiaries: SCB Securities Co., Ltd.; SCB Asset Management Co., Ltd.; The Siam Commercial Samaggi Insurance PCL; and SCB Life Assurance PCL. The results of the four subsidiaries together with the income from the Bank's investments, interbank and money market are presented under the "Others" category in the analysis below. Although the fee income earned by

subsidiaries is reflected under “Others”, this income is allocated back to the appropriate business segment (WBG, BBG or RBG) and disclosed earlier under the Non-interest income section (#2 above).

2013 Operating profit by segments (Baht billion)



“Others” comprises operating profit from the Bank’s subsidiaries, investment income, and interbank and money market interest which are not allocated to a specific business segment.

“Operating profit” is net profit excluding impairment loss, provisions on loans and debt securities, income tax and non-controlling interest.

In 2013, 40% of the Bank’s operating profit was contributed by the Retail Banking Group followed by the Wholesale Banking Group (23%), the Business Banking Group (17%) and “Others” (20%). Key explanations are as follows:

- Operating profit from the Retail Banking Group increased significantly by 31.3% yoy to Baht 30.6 billion as a result of higher interest income from loan growth (15.8% yoy), especially housing loans, as well as higher fee from card-related businesses.
- Operating profit from the Wholesale Banking Group stood at Baht 17.6 billion, an increase of 19.6% yoy mainly from higher fee from corporate finance coupled with higher trading and FX income and, to a lesser extent, due to higher interest income from loan growth of 4.6% yoy.
- Operating profit from the Business Banking Group rose 28.5% yoy to Baht 13.1 billion mainly due to higher interest income from robust loan growth (19.0% yoy) as well as higher fee income from loan-related transactions.
- Operating profit from “Others” increased 20.6% mainly due to higher income from the Bank’s subsidiaries (SCB Life Assurance PCL, SCB Securities Co., Ltd. and SCB Asset Management Co., Ltd.) and exceptional return from two equity investments.

II. Balance sheet as of December 31, 2013 (Consolidated basis)

As of December 31, 2013, the Bank's total assets stood at Baht 2,534 billion, an increase of Baht 264 billion (11.6%) yoy from Baht 2,270 billion at the end of December 2012. This increase was mainly the outcome of strong business growth over the year. Details of the consolidated balance sheet are as follows:

1. Loans

As at December 31, 2013, total outstanding loans stood at Baht 1,735 billion, an increase of Baht 188 billion (12.1%) yoy from Baht 1,547 billion at the end of December 2012. While the loan growth yoy was broadly based across all business segments, much of the above-market growth was in the SME and housing loan segments. With the deliveries of new cars under the incentive scheme for first-time new car buyers largely completed by 2Q13, the pace of growth for auto loans has slowed sharply in 2H13 and is likely to remain subdued well into 2014.

The loan growth of 12.1% yoy in 2013 was in line with the lower end of the Bank's full year target of 12-15% but skewed toward the 1H13. In 2014, the Bank announced a target to grow its loan book by 7-10%, broadly in line with expected market loan growth.

1.1 Loans by segment

Unit: Baht Million

Loans by Segment (Consolidated)	Dec 31, 13	Dec 31, 12	%yoy
Wholesale	622,385	594,889	4.6%
SME	356,048	299,166	19.0%
Retail	756,848	653,431	15.8%
- Housing loans*	485,097	407,582	19.0%
- Automobile	189,794	172,735	9.9%
- Others loans	81,957	73,114	12.1%
Total loans	1,735,281	1,547,486	12.1%

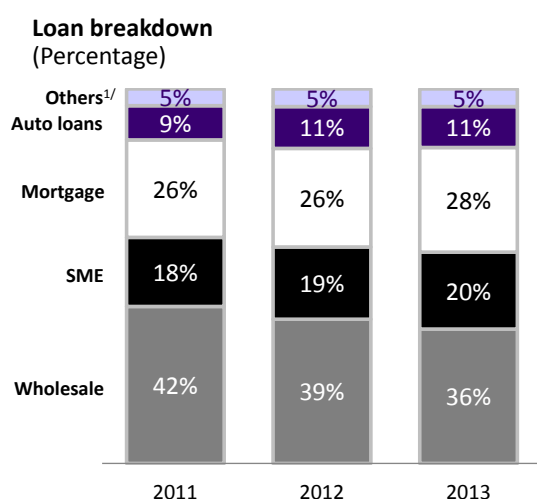
* Includes all home mortgage loans, some of which may be from segments other than Retail

Details of the loan breakdown by customer segments are as follows:

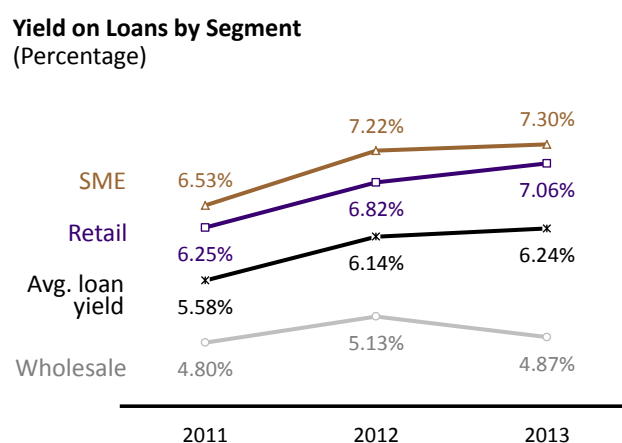
- **Wholesale** loans increased by 4.6% yoy in line with the Bank's specific focus on growing fee income rather than interest income in this segment;
- **SME** loans rose 19.0% yoy. This strong growth, skewed toward 1H13, was the result of the successful multi-year execution of the Bank's strategy to better penetrate the SME marketplace, particularly at the mid-to-smaller end of this segment. The introduction of new products, better use of data analytics and the expansion of the nationwide footprint to broaden the reach to SME clientele have contributed to the improved market positioning of the Bank in the SME segment;

- **Retail loans** increased 15.8% yoy.
 - **Housing loans** increased 19.0% yoy, driven by the strong SCB brand in the housing loan market, an increasingly effective customer segmentation approach, and for the first half of the year, a home equity product of the Bank;
 - **Automobile loans** grew 9.9% yoy as deliveries of new cars from the incentive scheme for first-time new car buyers were mostly completed by 2Q13. Thus, growth in auto loans slowed significantly in 2H13;
 - **Other loans** (largely personal and credit card loans) increased 12.1% yoy, in line with consumer demand, the Bank's strong retail footprint, and the seasonally high year-end spending pattern.

As a result of the market share gains in the Retail and SME segments, 64% of total loans are now in these segments as compared to 61% in 2012. Furthermore, within the Retail segment, the number of higher yield products such as home equity loans has also increased. These two factors have led to a 10bps increase in overall yield to 6.24% in 2013 from 6.14% in 2012 despite two policy rate cuts in 2013 (in May and November 2013).



^{1/} Others includes mainly credit cards and unsecured consumer loans



Yield on Selected Retail Products (%)

Mortgage	5.28%	6.04%	6.19%
Auto Loans	5.41%	5.65%	5.94%

1.2 Loans by sector/product

Unit: Baht Million

Loans by Sector (Consolidated)	Dec 31, 13	Dec 31, 12	%yoy
Agricultural and mining	20,137	12,889	56.2%
Manufacturing and commercial	604,367	519,896	16.2%
Real estate and construction	126,027	115,502	9.1%
Utilities and services	220,654	200,982	9.8%
Housing loans*	425,065	371,254	14.5%
Other loans	339,031	326,963	3.7%
Total loans	1,735,281	1,547,486	12.1%

* Classified by sector/product (excludes retail loans where customers use their home as collateral for general purpose borrowings). These loans are classified under "Other loans" in accordance with regulatory guidelines. Elsewhere in this report, all housing loans are aggregated under mortgage loans and the balance of these loans at the end of December 31, 2013 and December 31, 2012, were Baht 485 billion and Baht 408 billion, respectively.

On a sectorial/product basis, loans to the manufacturing and commercial sectors continued to account for the largest portion of the loan portfolio followed by housing loans. In terms of absolute growth from end-2012, loans to the manufacturing and commercial grew by Baht 84.5 billion (+16.2%), housing loans grew by Baht 53.8 billion (+14.5%), while utilities and services sectors grew by Baht 19.7 billion (+9.8%).

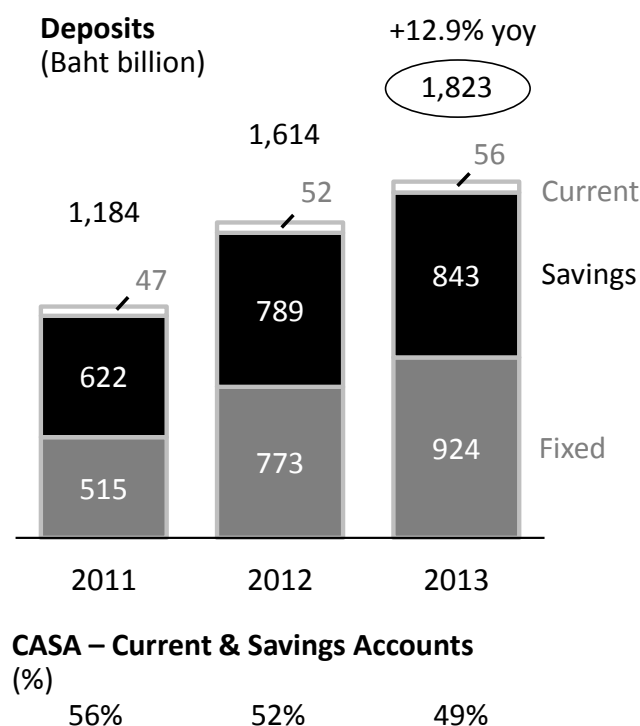
2. Deposits

Unit: Baht Million

Deposits (Consolidated)	Dec 31, 13	Dec 31, 12	%yoy
Demand	55,627	51,730	7.5%
Savings	842,959	789,048	6.8%
Fixed	924,325	773,281	19.5%
- Less than 6 months	204,192	170,408	19.8%
- 6 months and up to 1 year	293,528	319,637	-8.2%
- Over 1 year	426,605	283,236	50.6%
Total deposits	1,822,911	1,614,059	12.9%
Bills of exchange (B/E)	5,222	25,765	-79.7%
Total deposits + B/E	1,828,133	1,639,824	11.5%
Gross loans to deposits ratio	95.2%	95.9%	
Gross loans to deposits and B/E	94.9%	94.4%	

As at December 31, 2013, total **deposits** stood at Baht 1,823 billion, up 12.9% yoy from Baht 1,614 billion at the end of December 2012. The strong yoy growth in deposits was the result of the deposit campaigns launched over the period and the progressive shift of maturing bills of exchange (B/E) to fixed term deposit products. As at December 31, 2013, deposits plus B/E grew 11.5% yoy to Baht 1,828 billion.

Bills of exchange (B/E), akin to uninsured deposits, were offered by the Bank through to end-2011 to attract a growing volume of both corporate and high net worth customers' short-term deposits. Following the new regulatory requirements effective from January 2012, banks were required to pay FIDF fees on B/E and, essentially, this new levy negated the value proposition of B/E. As a result, the Bank sharply curtailed the growth and/or renewal of B/E, resulting in a 79.7% yoy decline in B/E in 2013. Many of these B/E have been channeled to the Bank's fixed term deposit products upon maturity. Fixed deposits, demand deposits and savings deposits increased (yoy) by 19.5%, 7.5% and 6.8% respectively.



In 2013, the Bank was successful in growing its funding base to match its loan growth through its strong retail franchise. The **loan-to-deposit** ratio on a consolidated basis stood at 95.2% as at December 31, 2013, a slight improvement from 95.9% in 2012. The 'loan-to-deposit and B/E' ratio of 94.9% was higher than 94.4% at end 2012, but is within the Bank's target loan-to-deposit (including B/E) ratio range of 94-96%.

The Bank's policy on liquidity management is to source the required level of funding to match its loan growth at an acceptable cost. The Bank's Assets and Liabilities Management Committee formulates policies on liquidity management.

The regulations of Bank of Thailand on liquid assets, with which the Bank is in compliance, require commercial banks to maintain liquid assets equal to at least 6% of total deposits. The Bank currently maintains a daily liquidity ratio at 20% or higher – measured as total liquid assets (at a bank-only level) to total deposits and B/E. If the ratio falls below 20%, immediate corrective action is considered. As at December 31, 2013, the liquidity ratio, on a bank-only basis, stood at 24.2% and thus the Bank is assured that it will possess ample liquidity to face unexpected shocks and

challenges. The Bank's stock of non-cash liquid assets, at a bank-only level, consists almost entirely of Thai government bonds.

3. Investments

At the end of December 2013, the Bank's total net investments on a consolidated basis stood at Baht 505 billion, an increase of 10.0% yoy. Of this amount, 90% were investments in government and state-enterprise securities. The increase in the Bank's portfolio of government securities corresponded with the increase in total deposit volume as well as from the Bank's aim to maintain, at a bank-only level, a liquidity ratio (liquid assets/deposits+B/E) of no less than 20%.

At a bank-only level, the total net investments stood at Baht 396 billion, an increase of 5.8% yoy. These investments are mainly in Thai government bonds and held primarily to provide the Bank with ample liquidity. In addition to the Bank, SCB Life Assurance Company held investments of Baht 121 billion at December 31, 2013, an increase of 21.1% yoy. A majority of these investments are also in Thai government bonds and acquired to match, to the extent possible, the maturity profile of its insurance product-related liabilities.

Unit: Baht Million

Investment (Consolidated)	Dec 31, 13	Dec 31, 12	% yoy
Net investment	504,188	458,297	10.0%
- Trading securities	46,215	20,243	128.3%
- Available-for-sale securities	344,727	327,750	5.2%
- Held-to-maturity securities	112,959	109,550	3.1%
- General investments	287	754	-61.9%
Net investment in associated companies	685	647	5.9%
Total net investments	504,873	458,943	10.0%

4. Debt securities in issue and borrowings

Debt securities in issue and borrowings decreased by 28.3% yoy to Baht 95 billion at the end of December 2013. This was largely due to the substantial decline in the volume of B/E (-79.7% yoy). Although B/E were not rolled over, most of the holders of these instruments were successfully persuaded to migrate to deposit products of the Bank.

In 2012, the Bank issued Baht 20 billion in subordinated debt in 1Q12 and a further Baht 20 billion in 3Q12 to increase its Tier II capital ahead of the more stringent Basel III requirements for the issuance of qualifying sub-debt effective from 2013 onwards. This was partly offset by the early redemption in May 2013 of Baht 20 billion of subordinated debt issued in 2008 as this debt no longer qualified as Tier II capital under the Basel III framework. In addition, the Bank also tapped its global medium term notes program (USD 600 million in 1Q12 and USD 500 million in 3Q12) to fund the demand for foreign currency loans.

Unit: Baht Million

Debt Securities in Issue and Borrowings (Consolidated)	Dec 31, 13	Dec 31, 12	%yoy
Short term debt securities in issue and borrowings	5,269	20,752	-74.6%
Long term debt securities in issue and borrowings	89,743	111,825	-19.7%
Total debt securities in issue and borrowings	95,012	132,577	-28.3%

5. Net goodwill and other intangible assets

Net goodwill and other intangible assets remain relatively unchanged yoy at Baht 11 billion at end December 2013.

6. Shareholders' equity

As at December 31, 2013, shareholders' equity stood at Baht 246 billion, a 15.2% yoy increase of Baht 32 billion from Baht 214 billion at the end of December 2012, mainly from the appropriations of net profit over the year. The net profit appropriated to the retained earnings was reduced by the dividend payment of Baht 11.9 billion (Baht 3.50 per share) in accordance with the resolution of the Annual General Meeting of Shareholders in April 2013 and an interim dividend payment of Baht 5.1 billion (Baht 1.50 per share) in accordance with the resolution of the Board of Directors meeting in August 2013.

Book value per share as of December 31, 2013 was Baht 72.45 (3,399 million ordinary and preferred shares at the end of December 2013), up 15.2% from Baht 62.89 at the end of 2012.

III. Off Balance Sheet: Contingent Liabilities

As at December 31, 2013, the Bank and its subsidiaries had combined contingencies of Baht 354 billion, up by Baht 36 billion (11.4% yoy) from Baht 318 billion at the end of December 2012. The changes in contingencies were mainly from other guarantees, letters of credit, undrawn bank overdraft facilities, receivables from investments and aval to bills as indicated in the table below.

Unit: Baht Million

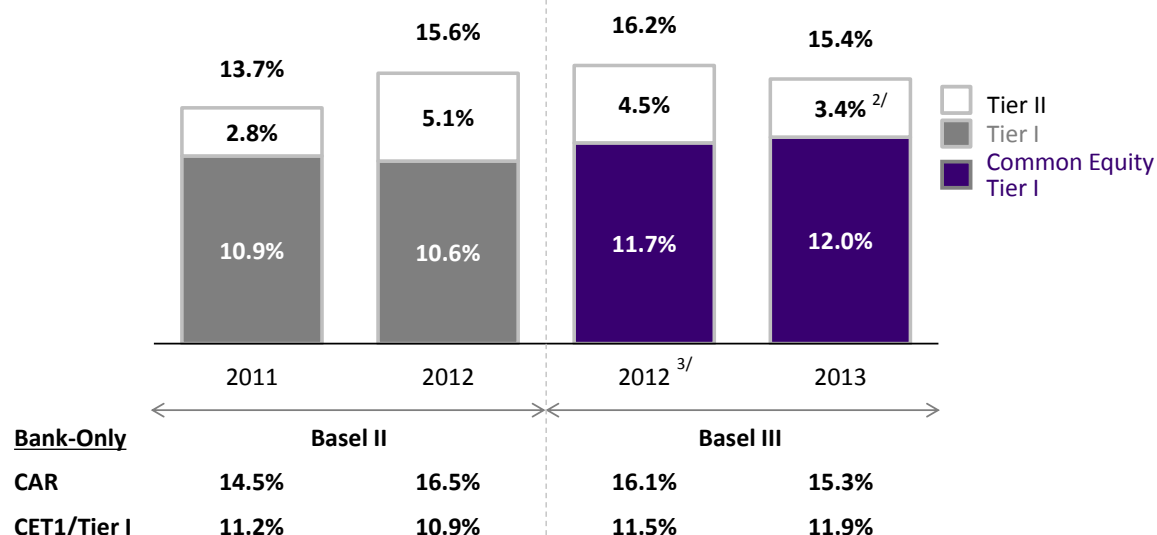
Contingent Liabilities (Consolidated)	Dec 31, 13	Dec 31, 12	%yoy
Aval to bills	4,297	3,487	23.2%
Guarantees of loans	214	578	-63.0%
Liability under unmatured import bills	7,434	8,413	-11.6%
Letters of credit	26,898	16,502	63.0%
Other contingencies			
Receivables/payables from investments	11,400	6,482	75.9%
Other guarantees	173,787	159,907	8.7%
Amount of unused bank overdraft	129,813	122,089	6.3%
Others	39	95	-58.9%
Total contingent liabilities	353,882	317,553	11.4%

IV. Statutory Capital

The Bank has adopted Basel III on a consolidated basis since January 1, 2013. The impact from adopting Basel III is positive to the Bank's Common Equity Tier 1 (CET1) as the Bank is exempted from capital deductions for qualifying 'investment outside scope' of up to 10% of net CET1 under Basel III (in Basel II there was no such exemption). Furthermore, certain elements within other comprehensive income (OCI) such as revaluation gains on certain investments and properties have been reclassified from Tier 2 under Basel II to CET1 and will be counted as regulatory capital in accordance with the Basel III guidelines. (The current minimum regulatory capital requirement under Basel III comprises of CET1 ratio of not less than 4.5%, total Tier 1 ratio of not less than 6%, and total capital ratio of not less than 8.5%).

On a consolidated basis under Basel III, total capital funds (Tier 1 and Tier 2) stood at 15.41% of total risk-weighted assets, comprising CET1 capital of 12.01% and Tier-2 capital of 3.40%. On a bank-only basis, total capital funds at end of 2013 stood at 15.27% of total risk-weighted assets, of which CET1 was 11.84% and Tier-2 capital was 3.43%. Compared to end of 2012, Tier-2 capital declined mainly due to the redemption in May 2013, of Baht 20 billion subordinated debt issued in 2008. The aforementioned ratios do not take into account the 2H13 net profit. Should the 2H13 net profit be taken into consideration, the total capital ratio and CET1 capital ratio under Basel III on a consolidated basis would be 16.66% and 13.25% respectively and for the Bank it would be 16.53% and 13.10% respectively.

The Bank believes this strong capital position, together with its sound loan loss reserve coverage are sufficient to withstand the impact of potential shocks which may arise if the Thai economic growth is hampered by unexpected events. This solid capital position also provides the Bank with flexibility to grow its business in a timely manner as and when more growth opportunities arise in the future. The Bank expects to maintain its aggregate capital adequacy ratio well in excess of the regulatory minimum throughout 2014.

Capital Adequacy Ratio (Consolidated)^{1/}

^{1/} Previous quarterly presentations reported data on bank-only basis but from Jan 1, 2013, the Bank adopted Basel III consolidated basis as the norm. Hence, the comparatives are now presented on a consolidated basis.

^{2/} The Bank redeemed non-compliant Basel III Tier 2 subordinated debenture amounting to Bt 20bn in May 2013.

^{3/} The 2012 CAR ratio under Basel III is provided for comparison purposes only as the Bank was using Basel II in 2012.

Statutory Capital (Consolidated)		Dec 31, 13 (Basel III)	Dec 31, 12 (Basel II)
Common Equity Tier-1 / Tier 1*	Bt, million % of RWA	208,719 12.01%	159,195 10.55%
Tier-2 capital	Bt, million % of RWA	59,135 3.40%	76,414 5.06%
Total capital	Bt, million % of RWA	267,854 15.41%	235,609 15.61%
Risk-weighted assets	Bt, million	1,738,165	1,509,572

Statutory Capital (Bank only)		Dec 31, 13 (Basel III)	Dec 31, 12 (Basel II)
Common Equity Tier-1 / Tier 1*	Bt, million % of RWA	203,369 11.84%	165,038 10.85%
Tier-2 capital	Bt, million % of RWA	58,955 3.43%	85,515 5.62%
Total capital	Bt, million % of RWA	262,324 15.27%	250,553 16.47%
Risk-weighted assets	Bt, million	1,717,592	1,521,035

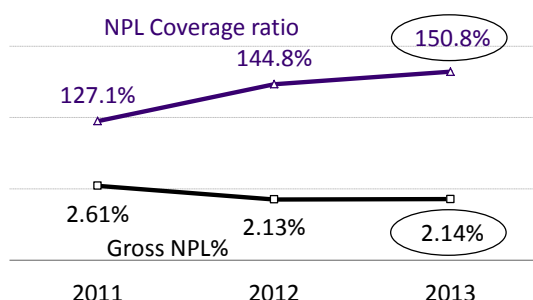
* CET1 under Basel III framework was adopted in Thailand from January 1, 2013

V. Non Performing Assets

Gross NPLs on a consolidated basis were stable at 2.14% of total loans (Baht 40.0 billion) at the end of 2013, compared to 2.13% of total loans (Baht 35.9 billion) at the end of 2012. Net NPLs rose

slightly to 1.06% (Baht 19.5 billion) at the end of 2013 from 1.02% (Baht 17.0 billion) at the end of 2012.

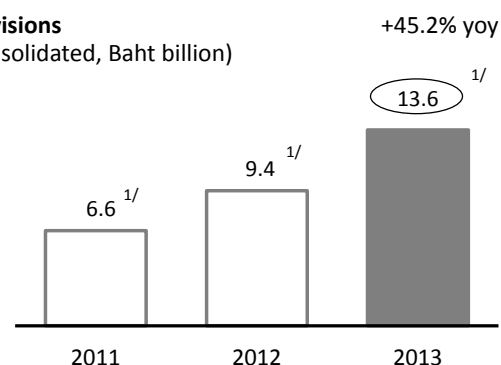
Gross NPL ratio & NPL Coverage ratio
(Percentage)



NPL by Segment and by Product

	2011	2012	2013
Wholesale	2.3%	2.0%	1.6%
SME	5.7%	4.0%	3.6%
Retail	1.9%	1.9%	2.3%
Mortgage	2.0%	2.0%	2.4%
Auto Loans	2.5%	2.1%	2.4%

Provisions
(Consolidated, Baht billion)



^{1/} Includes additional provisions of Baht 3.3 billion in 2011, Baht 4.0 billion in 2012, and Baht 3.1 billion in 2013 on a bank basis.

Credit Costs (bps)	56	66	83
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As a result of significant additional prudent provision in 3Q13 and 4Q13, the total allowance for doubtful accounts as of December 31, 2013 stood at Baht 60.3 billion, an increase of Baht 8.4 billion from Baht 52.0 billion at the end of 2012. Further, the coverage ratio (total allowance to non-performing loans) of 150.8% was an increase from 144.8% from end-2012.

Gross NPLs on a bank-only basis rose to 2.06% (Baht 38.2 billion) at the end of 2013 from 2.01% (Baht 33.6 billion) at the end of 2012. Net NPLs rose to 1.04% (Baht 19.0 billion) at the end of 2013 from 0.99% (Baht 16.4 billion) at the end of 2012.

Special mention loans stood at Baht 33.6 billion at end of 2013, an increase of Baht 8.3 billion from end of 2012. The increase arises mainly because of the Bank's shift to higher yield/higher risk retail products (auto and home equity loans) and, to a lesser extent, the impact of the deteriorating economic climate on borrower repayment capabilities.

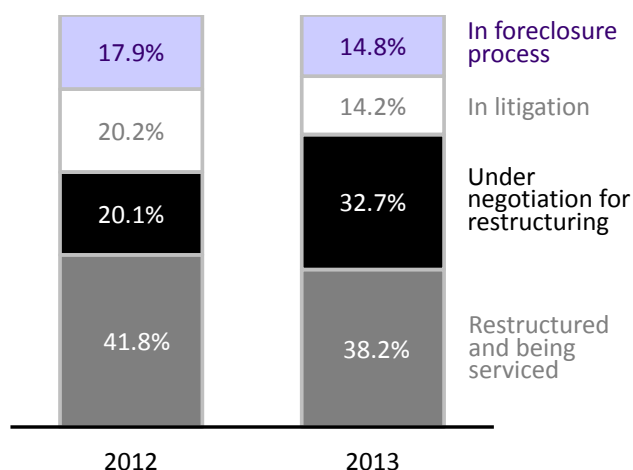
Unit: Baht Million

Classified Loans and Allowance for Doubtful Accounts (Consolidated)	Dec 31, 13		Dec 31, 12	
	Loan and accrued interest	Allowance for classified loans	Loan and accrued interest	Allowance for classified loans
Normal	1,665,762	16,311	1,489,739	14,284
Special mention	33,588	1,833	25,278	1,211
Substandard	12,035	5,872	9,878	4,099
Doubtful	7,204	2,232	4,463	1,541
Doubtful loss	20,824	12,686	21,591	13,359
Total	1,739,413	38,934	1,550,949	34,494
Allowance established in excess of BOT regulations		21,008		17,016
Total allowance		59,942		51,510

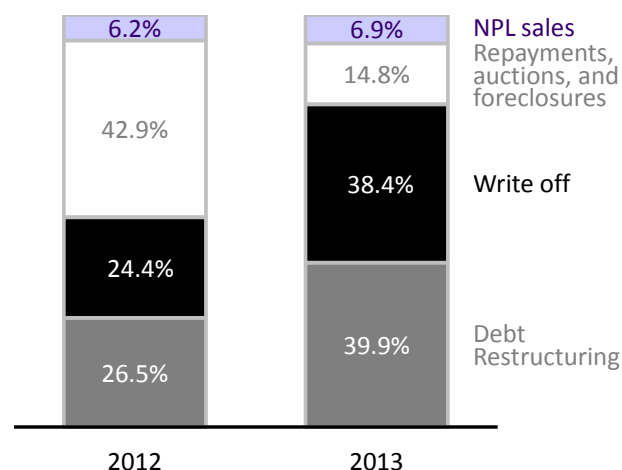
As shown in the chart below, at the end of 2013, NPLs that were restructured and being serviced accounted for the largest proportion of the total NPLs, followed by NPLs under negotiation for restructuring, NPLs in the foreclosure process, and NPLs under litigation. In 2013, the Bank reduced its NPLs mainly through debt restructuring, write-offs, repayments, auctions and foreclosures, followed by NPL sales.

In 4Q13, new NPL formation rose to 0.40%, from 0.35% in 3Q13 and the 0.39% recorded in 4Q12. The yoy increase in new NPL formation in 4Q13 was partly due to the proactive 'qualitative' reclassification of certain customers, the gradual increase in NPLs relating to the higher yielding loans where the risk/return dynamics are different to the Bank's traditional products (for example certain types of SME and home equity loans) and the impact of the deteriorating economic climate.

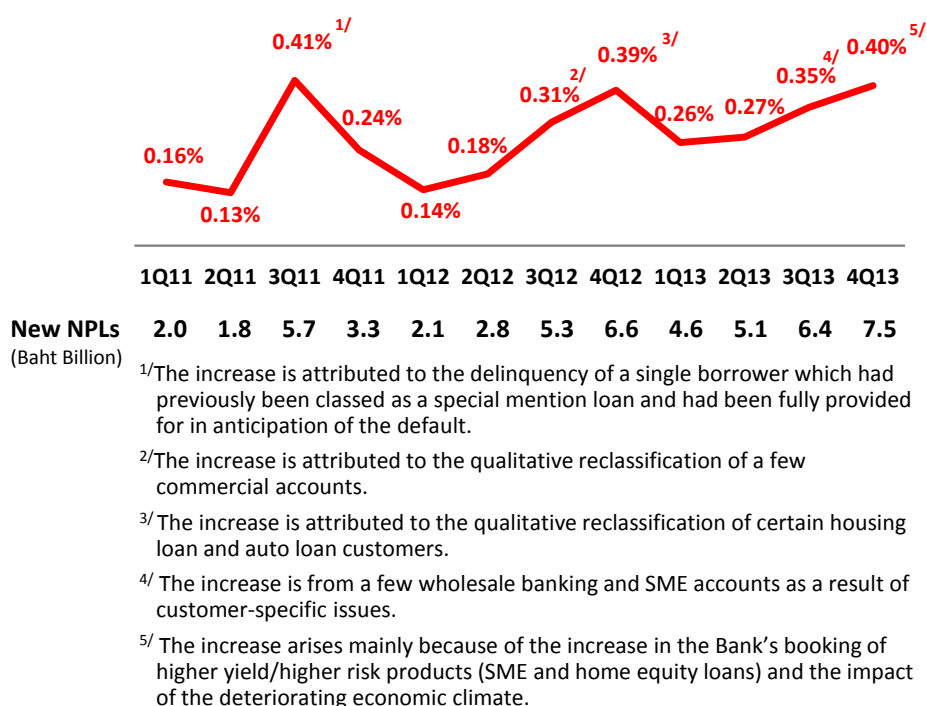
NPL Breakdown by Status (Bank only)



NPL Reduction Methodology



New NPLs Formation



Troubled Debt Restructuring

The Bank uses various methods for debt restructuring, including transfers of assets and equity securities, changes in repayment conditions, and combinations thereof.

As of December 31, 2013, the Bank and its financial subsidiaries have outstanding restructured loans amounting to Baht 37.1 billion both in the consolidated and Bank-only financial statements, a Baht 4.4 billion increase from Baht 32.7 billion at the end of 2012. Some of these restructured loans are NPLs and are already included in the NPL levels, as noted in the table below.

Restructured Loans (Consolidated)		Dec 31, 13	Dec 31, 12
Loans to restructured debtors	Bt, million	37,105	32,734
- Restructured loans which are classified as NPL	Bt, million	9,947	7,846
- Restructured loans which are not classified as NPL	Bt, million	27,158	24,888

The Bank's foreclosed properties available for sale as at December 2013 stood at Baht 9.7 billion, a slight increase of Baht 0.2 billion (2.0% yoy) from Baht 9.5 billion at December 2012.

VI. Sources and Uses of Funds

As at December 31, 2013, deposits accounted for 71.9% of SCB's funding base. Including bills of exchange (or B/E) which are akin to uninsured deposits, deposits and B/Es accounted for 72.1% of the funding base. Other major sources of funds were: 9.7% from shareholders' equity; 5.1% from

liabilities under insurance contracts recorded by the Bank's insurance subsidiaries (SCB Life Assurance PCL and Siam Commercial Samaggi Insurance PCL); 4.7% from interbank borrowings; and 3.7% from the issuance of debt instruments (excluding B/E). The funds were applied as follows on December 31, 2013: 68.5% was used for loans; 19.9% was applied to net investments in securities; 6.8% was lent in the interbank and money markets; and 1.4% was held in cash.

Credit Ratings

The Bank's credit ratings by Moody's Investors Service, Standard & Poor's and Fitch Ratings as of December 31, 2013 are shown below.

Credit Ratings of Siam Commercial Bank PCL		December 31, 2013
Moody's Investors Service		
Outlook		Stable
Bank Deposits – Foreign Currency (Long Term/Short Term)		Baa1/P-2
Bank Deposits – Domestic Currency (Long Term/Short Term)		A3/P-2
Bank Financial Strength Rating (BFSR)		C-
Senior Unsecured MTN		(P) A3
Subordinate MTN		(P) Baa3
Other Short Term		(P) P-2
Standard & Poor's		
Counterparty Credit Rating		BBB+/A-2
ASEAN Regional Scale Rating		axA+/axA-1
Outlook		Stable
Senior Unsecured		BBB+
Fitch Ratings		
Foreign Currency		
Long Term Issuer Default Rating		BBB+
Short Term Issuer Default Rating		F2
Outlook		Stable
Senior Unsecured		BBB+
Viability Rating		bbb+
National		
Long Term Rating		AA (tha)
Short Term Rating		F1+ (tha)
Outlook		Stable
Unsecured Subordinated Debenture		AA-(tha)