

TISCO Bank Public Company Limited
Report and interim financial statements
For the three-month and nine-month periods ended
30 September 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statement of financial position of TISCO Bank Public Company Limited as at 30 September 2012, the related statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011, changes in shareholders' equity, and cash flows for the nine-month periods then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

The statements of financial position as at 31 December 2011 for comparative purposes

I have previously audited the financial statements of TISCO Bank Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 6 February 2012.

The statement of financial position as at 31 December 2011, as presented herein for comparative purpose, formed an integral part of those financial statements.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 5 November 2012

TISCO Bank Public Company Limited

Statements of financial position

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

Note	30 September 2012 (Unaudited but reviewed)	31 December 2011 (Audited)
Assets		
	879,411	903,069
	35,360,699	29,983,895
	26,143	22,450
	3,776,550	2,595,951
	44,282	46,911
	241,468,923	196,934,575
	275,497	222,666
	241,744,420	197,157,241
	(21,295,226)	(17,321,366)
	(4,512,689)	(4,098,963)
	(3)	(3)
	215,936,502	175,736,909
	289,121	257,736
	64,364	-
	407,978	518,331
	74,021	100,304
	-	103,387
	1,958,794	1,248,831
	258,817,865	211,517,774

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

TISCO Bank Public Company Limited
Statements of financial position (continued)
As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

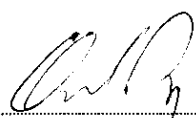
Note	30 September 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity		
Liabilities		
Deposits	182,219,269	38,059,886
Interbank and money market items - net	9,592,831	10,857,981
Liability payable on demand	695,897	448,049
Derivatives liabilities	7,377	270,360
Debts issued and borrowings	45,354,889	143,786,767
Provision for long-term employee benefits	103,981	83,767
Deferred tax liabilities	17,658	-
Accrued interest payable	1,881,250	1,380,677
Income tax payable	104,526	-
Dividend payable	-	400,484
Other liabilities	3,098,645	2,425,738
Total liabilities	243,076,323	197,713,709

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

TISCO Bank Public Company Limited
Statements of financial position (continued)
As at 30 September 2012 and 31 December 2011

	(Unit: Thousand Baht)	
Note	30 September 2012	31 December 2011
	(Unaudited but reviewed)	,(Audited)
Shareholders' equity		
Share capital		
Registered share capital		
372,047,854 preference shares of Baht 10 each	3,720,479	3,720,479
728,152,146 ordinary shares of Baht 10 each	7,281,521	7,281,521
	<u>11,002,000</u>	<u>11,002,000</u>
Issued and fully paid-up share capital		
104 preference shares of Baht 10 each	1	1
728,152,146 ordinary shares of Baht 10 each	7,281,521	7,281,521
	<u>7,281,522</u>	<u>7,281,522</u>
Share premium on ordinary shares	130,451	130,451
Other components of shareholders' equity	2,048	106,410
Retained earnings		
Appropriated-statutory reserve	846,100	846,100
Unappropriated	7,481,421	5,439,582
Total shareholders' equity	<u>15,741,542</u>	<u>13,804,065</u>
Total liabilities and shareholders' equity	<u>258,817,865</u>	<u>211,517,774</u>

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



Mrs. Oranuch Apisaksirikul
 (Chairperson of the Executive Board)



ธนาคารทีเอสซี (มหาชน)
 TISCO Bank Public Company Limited

(Unaudited but reviewed)

TISCO Bank Public Company Limited**Statements of comprehensive income****For the three-month periods ended 30 September 2012 and 2011**

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

	Note	2012	2011
Interest income	3.14	3,678,224	3,098,714
Interest expenses	3.15	(2,037,811)	(1,510,356)
Net interest income		1,640,413	1,588,358
Fees and service income		655,241	405,892
Fees and service expenses		(18,353)	(14,764)
Net fees and service income	3.16	636,888	391,128
Net gains on tradings and foreign exchange transactions	3.17	16,118	52,481
Net gains (losses) on investments	3.18	81,035	(6,538)
Penalty fee income from loans		58,404	51,238
Income from business promotion relating to the business		403,708	198,721
Other operating incomes	3.20	34,568	39,705
Total operating incomes		2,871,134	2,315,093
Other operating expenses			
Employee's expenses		436,074	316,782
Directors' remuneration		120	120
Premises and equipment expenses		177,392	167,044
Taxes and duties		41,355	57,122
Supporting service expenses	3.26	269,405	222,697
Expenses to business promotion relating to the business		495,103	189,821
Others	3.21	129,529	119,208
Total other operating expenses		1,548,978	1,072,794
Bad debt, doubtful accounts and impairment losses	3.19	442,507	263,325
Profit before income tax expense		879,649	978,974
Income tax expense	3.22	192,588	289,362
Profit for the periods		687,061	689,612
Other comprehensive income	3.23		
Investment in available-for-sale securities		136	(1,837)
Actuarial gains or losses arising from post-employment benefits		-	(11,124)
Cash flow hedges		-	90,770
Income tax (charge)/credit relating to components of other comprehensive income	3.23, 3.24	(27)	(23,342)
Other comprehensive income for the periods - net		109	54,467
Total comprehensive income for the periods		687,170	744,079
Earnings per share			
Basic earnings per share	3.25	0.94	0.95

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited**Statements of comprehensive income****For the nine-month periods ended 30 September 2012 and 2011**

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

	Note	2012	2011
Interest income	3.14	10,270,982	8,430,694
Interest expenses	3.15	(5,652,550)	(3,447,280)
Net interest income		4,618,432	4,983,414
Fees and service income		1,817,131	1,207,124
Fees and service expenses		(54,465)	(49,265)
Net fees and service income	3.16	1,762,666	1,157,859
Net gains on tradings and foreign exchange transactions	3.17	134,249	46,424
Net gains on investments	3.18	104,634	54,520
Penalty fee income from loans		176,003	149,387
Income from business promotion relating to the business		872,749	414,810
Other operating incomes	3.20	114,185	147,066
Total operating incomes		7,782,918	6,953,480
Other operating expenses			
Employee's expenses		1,200,999	1,059,369
Directors' remuneration		360	360
Premises and equipment expenses		541,078	500,893
Taxes and duties		117,100	166,332
Supporting service expenses	3.26	762,878	722,760
Expenses to business promotion relating to the business		1,032,435	437,578
Others	3.21	350,689	338,408
Total other operating expenses		4,005,539	3,225,700
Bad debt, doubtful accounts and impairment losses	3.19	1,148,228	858,930
Profit before income tax expense		2,629,151	2,868,850
Income tax expense	3.22	579,955	836,633
Profit for the periods		2,049,196	2,032,217
Other comprehensive income	3.23		
Investment in available-for-sale securities		(2,176)	(9,076)
Actuarial gains or losses arising from post-employment benefits			
Cash flow hedges		(9,195)	(11,124)
Income tax (charge)/credit relating to components		(128,277)	90,770
of other comprehensive income	3.23, 3.24	27,929	(21,171)
Other comprehensive income for the periods - net		(111,719)	49,399
Total comprehensive income for the periods		1,937,477	2,081,616
Earnings per share			
Basic earnings per share	3.25	2.81	2.79

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2012 and 2011

(Unit: Thousand Baht)

	Issued and fully		Other components of equity			Total other components of shareholders' equity	Retained earnings		Total
	paid-up share capital		Share premium on ordinary shares	Surplus (deficit) on change in value of available-for-sale investments	Cash flow hedges		Appropriated	Unappropriated	
	Preference shares	Ordinary shares							
Balance as at 1 January 2011	1	7,281,521	130,451	14,311	-	14,311	714,600	4,026,712	12,167,596
Dividend paid (Note 4)	-	-	-	-	-	-	-	(669,900)	(669,900)
Total comprehensive income for the period	-	-	-	(6,354)	63,539	57,185	-	2,024,431	2,081,616
Balance as at 30 September 2011	<u>1</u>	<u>7,281,521</u>	<u>130,451</u>	<u>7,957</u>	<u>63,539</u>	<u>71,496</u>	<u>714,600</u>	<u>5,381,243</u>	<u>13,579,312</u>
Balance as at 1 January 2012	1	7,281,521	130,451	3,789	102,621	106,410	846,100	5,439,582	13,804,065
Total comprehensive income for the period	-	-	-	(1,741)	(102,621)	(104,362)	-	2,041,839	1,937,477
Balance as at 30 September 2012	<u>1</u>	<u>7,281,521</u>	<u>130,451</u>	<u>2,048</u>	<u>-</u>	<u>2,048</u>	<u>846,100</u>	<u>7,481,421</u>	<u>15,741,542</u>

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited**Statements of cash flows****For the nine-month periods ended 30 September 2012 and 2011**

(Unit: Thousand Baht)

	2012	2011
Cash flows from operating activities		
Profit before income tax	2,629,151	2,868,850
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:		
Depreciation and amortisation	121,001	132,397
Bad debts and doubtful accounts	1,716,987	1,383,414
Reversal allowance for impairment of investment	(63,313)	(2,468)
Allowance for impairment of property foreclosed (reversal)	(460)	152
Gain on sale of investments	(38,764)	(53,374)
Unrealised (gain) loss on tradings and foreign exchange transactions	(20,962)	(38,300)
Gain on disposal of equipment	(4,761)	(6,492)
Gain on disposal of property foreclosed	(36,551)	-
Gain on cash flow hedge	(100,761)	(50,500)
Provision for long-term employee benefits	11,018	7,465
(Increase) decrease in other accrued income	(23,008)	8,896
Increase (decrease) in accrued expenses	315,047	226,240
Net interest income	(4,618,432)	(4,983,414)
Dividend income	(54,832)	(75,126)
Cash received on interest income	10,170,508	8,201,654
Cash paid on interest expense	(4,691,680)	(2,635,021)
Cash received on dividend income	54,832	75,126
Cash paid on income tax expense	(325,301)	(1,349,354)
Profit from operating activities before changes in operating assets and liabilities	5,039,719	3,710,145
Decrease (increase) in operating assets		
Interbank and money market items	(5,540,269)	(5,967,499)
Loans to customers	(43,194,883)	(32,738,425)
Property foreclosed	1,147,203	702,422
Intangible assets	(6,755)	(22,344)
Other assets	(288,346)	(9,699)
Increase (decrease) in operating liabilities		
Deposits	144,159,383	(10,612,772)
Interbank and money market items	(1,265,150)	494,615
Liability payable on demand	247,849	(70,433)
Debts issued and borrowings - short-term	(104,159,877)	47,614,269
Other liabilities	(372,238)	(51,529)
Net cash flows from (used in) operating activities	(4,233,364)	3,048,750

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statements of cash flows (continued)

For the nine-month periods ended 30 September 2012 and 2011

	(Unit: Thousand Baht)	
	2012	2011
Cash flows from investing activities		
Cash paid for purchase of investment in securities held for investment	(3,531,875)	(2,143,826)
Cash received from disposal of investment in securities held for investment	2,453,364	3,604,596
Cash paid for purchase of equipment	(45,433)	(49,608)
Cash received from disposal of equipment	6,134	6,418
Cash received from disposal of a subsidiary	-	136,655
Net cash flows from (used in) investing activities	<u>(1,117,810)</u>	<u>1,554,235</u>
Cash flows from financing activities		
Debts issued and borrowings - long-term	(24,200)	(2,837,179)
Cash received from issuance of long-term debentures	6,828,200	-
Cash paid for the redemption of long-term debentures	(1,076,000)	-
Dividend paid	(400,484)	(1,689,309)
Net cash flows from (used in) financing activities	<u>5,327,516</u>	<u>(4,526,488)</u>
Net (decrease) increase in cash	<u>(23,658)</u>	<u>76,497</u>
Cash at beginning of the periods	903,069	902,816
Cash at end of the periods	<u><u>879,411</u></u>	<u><u>979,313</u></u>
	-	-
Supplemental cash flows information		
Non-cash transaction		
Transfer of property foreclosed from receivables for debt settlement	-	3,382

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

TISCO Bank Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2012 and 2011

1. Basis of preparation and presentation of financial statements and significant accounting policies

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Bank choosing to present condensed interim financial statements. However, the Bank has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in accordance with the Bank of Thailand ("BOT")'s Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010, which is effective for fiscal years beginning on or after 1 January 2011.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Bank. The interim financial statements in English language have been translated from the Thai language interim financial statements.

The interim financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

No consolidated financial statements of the Bank and its subsidiary (TISCO Securities Hong Kong Limited) have been prepared since TISCO Financial Group Public Company Limited, a parent company with registered office located at 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok, has already presented the consolidated financial statements. Therefore, the Bank presented only the separate financial statements.

1.2 New accounting standard issued during the period not yet effective

During the current period, the Federation of Accounting Professions issued the Thai Financial Reporting Standards TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013.

The Bank's management believes that this financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

1.3 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

2. General information

2.1 The Bank's information

The Bank is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 30 September 2012, the Bank has 46 branches in Thailand.

2.2 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Bank, whether directly or indirectly, or which are under common control with the Bank. They also include associated companies and individuals which directly or indirectly own a voting interest in the Bank that gives them significant influence over the Bank, key management personnel, directors and officers with authority in the planning and direction of the Bank's operations.

The Bank has significant business transactions with related parties. These transactions have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Bank and those related parties, which are reference to the terms and price as charged to other customers.

The Bank has not granted credit to companies of which at least 10 percent of the common shares of paid up capital are held by the Bank, directors or management level employees.

The Bank has neither provided any credit nor made any commitments to companies which have directors in common with the Bank in cases where such credit is unsecured or not fully collateralised and therefore would require approval from the Bank of Thailand.

The Bank has no investments in related companies which are related by way of members of the management of the Bank being shareholders and/or authorised directors.

3. Supplemental information

3.1 Derivatives

3.1.1 Trading derivatives

The Bank entered into interest rate swap agreements and cross currency swap agreements to manage the risk associated with its loan to customers, as follows:

(Unit: Thousand Baht)

Types of risk	As at					
	30 September 2012			31 December 2011		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	7,377	3,082,875	-	127,628	3,169,120
Interest rate	26,143	-	4,465,864	21,907	14,715	5,682,000
Total	26,143	7,377	7,548,739	21,907	142,343	8,851,120

All counter parties of these derivative transactions are financial institutions.

3.1.2 Hedging derivatives

The Bank entered into cross currency swap agreements to manage the risk associated with their foreign currency certificates of deposit investment in foreign debt securities, as follows:

(Unit: Thousand Baht)

Types of risk	As at					
	30 September 2012			31 December 2011		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	-	-	-	128,017	4,046,482
Interest rate	-	-	-	543	-	300,000
Total	-	-	-	543	128,017	4,346,482

All counter parties of these derivative transactions are financial institutions.

3.2 Investments

3.2.1 Classified by types of investment

(Unit: Thousand Baht)

	As at	
	30 September 2012	31 December 2011
Available-for-sale securities - fair value		
Government and state enterprise securities	2,346,401	605,918
Debt securities of private sector	751,460	837,593
Add: Allowance for changes in value	2,560	4,736
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale securities	3,098,961	1,446,787
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	261,642	686,409
Less: Allowance for impairment	(20,504)	(17,947)
Total held-to-maturity debt securities	241,138	668,462
General investments - cost		
Domestic non-marketable equity securities	485,334	598,083
Less: Allowance for impairment	(48,883)	(117,381)
Total other investments	436,451	480,702
Investments - net	3,776,550	2,595,951

3.2.2 Classified by the remaining period to maturity of the debt securities

(Unit: Million Baht)

	As at							
	30 September 2012				31 December 2011			
	Due within				Due within			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
Investment in available-for-sale securities								
Government and state enterprise securities	2,045	301	-	2,346	405	201	-	606
Debt securities of private sector	721	30	-	751	601	236	-	837
Total	2,766	331	-	3,097	1,006	437	-	1,443
Add: Allowance for changes in value	2	1	-	3	3	2	-	5
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	2,767	332	-	3,099	1,008	439	-	1,447
Held-to-maturity debt securities								
Investment in receivables	147	115	-	262	297	388	1	686
Less: Allowance for impairment	(16)	(5)	-	(21)	(18)	-	-	(18)
Total	131	110	-	241	279	388	1	668
Total debt securities	2,898	442	-	3,340	1,287	827	1	2,115

3.2.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	As at		Type of restriction
	30 September 2012	31 December 2011	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	863	577	Pledge for the use of credit balance on clearing position

3.2.4 Investments in companies with weak financial positions and poor operating results

(Unit: Thousand Baht)

	As at 30 September 2012		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
	Companies having problems with debt repayment or in default	7,060	-

⁽¹⁾ Allowance for changes in value of investment is calculated at cost less collateral value.

(Unit: Thousand Baht)

	As at 31 December 2011		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
	Companies having problems with debt repayment or in default	7,060	-

⁽¹⁾ Allowance for changes in value of investment is calculated at cost less collateral value.

(Unaudited but reviewed)

3.2.5 Investments where the Bank hold not less than 10 percent of the paid-up share capital of the investees companies

(Unit: Thousand Baht)

Securities' name	As at					
	30 September 2012			31 December 2011		
	Book value	Unpaid amounts	Percentage of holding	Book value	Unpaid Amounts	Percentage of holding
			%			%
Insurance:						
AXA Insurance Plc.	-	-	-	-	-	10
Services:						
TISCO Securities Hong Kong Limited (In the process of liquidation)	44,282	-	100	46,911	-	100
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K. Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	5,377	-	10	4,019	-	10
PDTL Trading Co., Ltd.	8,316	-	10	8,703	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
Prosperity Industrial Estate Co., Ltd.	-	-	-	45,095	-	10
UMI Property Co., Ltd.	5,697	-	10	6,843	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	16,940	-	10	17,028	-	10

3.3 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Type of share		Percentage of holding		Investment value		Dividend received		
		as at		as at		- cost method		for the nine-month		
		30	31	30	31	as at		periods ended		
		September	December	September	December	September	December	30 September		
								2012	2011	
				%	%					
Subsidiaries directly held by the Bank:										
TISCO Securities Hong Kong Limited (In the process of liquidation)	Securities business	Ordinary shares	Ordinary shares	100	100	66	66	-	-	
Less: Allowance for impairment						(22)	(19)	-	-	
						44	47	-	-	
Investments in subsidiaries - net						44	47	-	-	

On 28 November 2003, the Bank received approval from the Bank of Thailand to accept the transfer of business from Tru-Way Company Limited (which is a subsidiary company), in accordance with the resolutions of the Annual General Meeting of the Bank's shareholders held on 24 April 2003. Tru-Way Company Limited was deregistered with the Ministry of Commerce on 29 December 2003 and is currently in the process of liquidation.

On 12 April 2007, Thai Commercial Auto Company Limited (a subsidiary company) were deregistered with the Ministry of Commerce, and they are currently in the process of liquidation.

On 26 June 2008, TISCO Securities Hong Kong Limited (a subsidiary company) was deregistered and is currently in the process of liquidation.

3.4 Loans to customers and accrued interest receivable

3.4.1 Classified by loans to customers type

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
Loans to customers		
Loans	59,762,298	44,852,873
Hire purchase receivables	181,199,494	151,717,574
Financial lease receivables	620,423	442,015
Less: Deferred revenue	(21,295,226)	(17,321,366)
Advances received from financial lease receivables	(113,292)	(77,887)
Total loans to customers	220,173,697	179,613,209
Add: Accrued interest receivable	275,497	222,666
Less: Allowance for doubtful accounts	(4,512,689)	(4,098,963)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivables - net	<u>215,936,502</u>	<u>175,736,909</u>

3.4.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	As at					
	30 September 2012			31 December 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	217,090,817	-	217,090,817	176,444,089	-	176,444,089
US Dollars	-	3,082,880	3,082,880	-	3,169,120	3,169,120
Total loans to customers						
net of deferred revenue	<u>217,090,817</u>	<u>3,082,880</u>	<u>220,173,697</u>	<u>176,444,089</u>	<u>3,169,120</u>	<u>179,613,209</u>

3.4.3 Classified by loan classification

(Unit: Million Baht)

	As at					
	30 September 2012			31 December 2011		
	Loans to customers and accrued interest receivables	Net amount used for set the allowance for doubtful accounts	Allowance for doubtful account ^{(1) (2)}	Loans to customers and accrued interest receivables	Net amount used for set the allowance for doubtful accounts	Allowance for doubtful account ^{(1) (2)}
Provision under BOT's guideline						
- Pass	207,322	188,586	2,842	166,607	151,582	3,280
- Special mention	10,739	10,552	863	11,015	10,790	188
- Sub-standard	1,547	1,532	466	1,517	1,510	378
- Doubtful	405	394	118	254	227	54
- Doubtful of loss	436	202	217	443	212	195
Allowance established in excess	-	-	7	-	-	4
Total	<u>220,449</u>	<u>201,266</u>	<u>4,513</u>	<u>179,836</u>	<u>164,321</u>	<u>4,099</u>

⁽¹⁾ Allowance for doubtful accounts for loans to customers is determined based on debt balance less collateral value in accordance with the BOT's guidelines (except for hire purchase and financial lease receivables, for which the Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ As at 30 September 2012, the provisions set aside by TISCO Bank exceeded the BOT's minimum requirement by a total of Baht 2,099 million (As at 31 December 2011: total of Baht 2,057 million). TISCO Bank allocated Baht 2,092 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2011: total of Baht 2,053 million) and so combined with the minimum provision requirement of Baht 2,414 million (As at 31 December 2011: total of Baht 2,042 million), the total provision set aside in accordance with BOT requirements is Baht 4,506 million (As at 31 December 2011: total of Baht 4,095 million).

	Percentage of allowance for doubtful account set up			
	Hire purchase receivable ⁽¹⁾		Other loan ⁽²⁾	
	As at		As at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Pass	1.18	1.42	1	1
Special mention	1.18	1.42	2	2
Sub-standard	24.26	20.88	100	100
Doubtful	24.26	20.88	100	100
Doubtful of loss	24.26	20.88	100	100

⁽¹⁾ These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

⁽²⁾ These percentages are the rates used to set aside allowance for doubtful accounts in accordance with the BOT's minimum requirement.

3.4.4 Hire purchase and financial lease receivables

As at 30 September 2012, net receivables of the Bank under hire purchase and financial lease agreements amount to Baht 160,595 million (31 December 2011: Baht 134,944 million) and mostly comprise hire purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	As at 30 September 2012				
	Amounts of installments due under the long-term lease agreements				
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in the agreements	54,443	118,969	5,375	3,033	181,820
Less: Deferred revenue *	(8,215)	(11,713)	24	(1,208)	(21,112)
Advances received from financial lease receivables	(1)	(109)	(2)	(1)	(113)
Present value of minimum lease pay from agreements	46,227	107,147	5,397	1,824	160,595
Allowance for doubtful accounts **					(2,321)
Net hire purchase and financial lease receivables					158,274

* Net of commissions and direct expenses incurred at the initiation of hire purchase.

** Allowance for doubtful account combined with the allocated of the provisions exceeded the BOT's minimum requirement for an individual debtor.

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2011					
Amounts of installments due under the long-term lease agreements					
	Less than 1 year	1 - 5 years	Over 5 years	Non performing loans	Total
Gross investment in the agreements	47,092	98,809	3,386	2,873	152,160
Less: Deferred revenue*	(6,754)	(9,104)	(106)	(1,174)	(17,138)
Advances received from financial lease receivables	-	(72)	(6)	-	(78)
Present value of minimum lease pay from agreements	40,338	89,633	3,274	1,699	134,944
Allowance for doubtful accounts **					(2,246)
Net hire purchase and financial lease receivables					132,698

* Net of commissions and direct expenses incurred at the initiation of hire purchase.

** Allowance for doubtful account combined with the allocated of the provisions exceeded the BOT's minimum requirement for an individual debtor.

3.4.5 Loans to customers for which the recognition of interest income has ceased

(Unit: Million Baht)

	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under the Bank's policy	
	as at		as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	3,048	2,949	3,061	3,209

⁽¹⁾ These amounts are calculated on an account by account basis.

⁽²⁾ Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

3.4.6 Deferred revenue which is presented as a deduction against loans to customers

(Unit: Million Baht)

	As at	
	30 September 2011	31 December 2011
Deferred revenue ⁽¹⁾	21,295	17,321

⁽¹⁾ These amounts included deferred revenue of hire purchase and financial lease contracts which are stated net of commissions and direct expenses incurred at the initiation of hire purchase.

(Unaudited but reviewed)

3.4.7 Troubled debt restructuring

	For the nine-month periods ended	
	30 September	
	2012	2011
Debtors restructured during the period:		
Number of debtors restructured by modification of terms (number)	118	210
Loan balances before restructuring (Million Baht)	94	590
Loan balances after restructuring (Million Baht)	94	590
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	3	3
Corporate loan receivables	2	2

Supplemental information for the nine-month periods ended 30 September 2012 and 2011 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the nine-month periods ended	
	30 September	
	2012	2011
Interest income on restructured receivables	41	48
Receipt of principal and interest	429	509

As at 30 September 2012 and 31 December 2011, the Bank has the outstanding balances with troubled restructured debtors, as follows:

(Unit: Million Baht)

	As at			
	30 September 2012		31 December 2011	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,233	772	1,404	1,201

3.5 Allowance for doubtful accounts / allowance for loss on debt restructuring

3.5.1 Allowance for doubtful accounts - classified by the receivables classification

(Unit: Thousand Baht)

As at 30 September 2012							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	3,279,654	188,048	378,456	54,094	194,848	3,863	4,098,963
Increase (decrease) in allowance for doubtful accounts during the period	(437,568)	675,099	445,129	1,013,898	35,016	(6,589)	1,724,985
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	9,635	9,635
Bad debt written-off	(114)	(304)	(357,834)	(949,899)	(12,743)	-	(1,320,894)
Balance - end of period	<u>2,841,972</u>	<u>862,843</u>	<u>465,751</u>	<u>118,093</u>	<u>217,121</u>	<u>6,909</u>	<u>4,512,689</u>

(Unit: Thousand Baht)

As at 31 December 2011							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	794,419	59,208	177,958	51,122	425,880	2,350,825	3,859,412
Increase (decrease) in allowance for doubtful accounts during the year	2,486,197	130,137	575,132	614,501	283,511	(2,360,249)	1,729,229
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	13,287	13,287
Bad debt written-off	(962)	(1,297)	(374,634)	(611,529)	(514,543)	-	(1,502,965)
Balance - end of year	<u>3,279,654</u>	<u>188,048</u>	<u>378,456</u>	<u>54,094</u>	<u>194,848</u>	<u>3,863</u>	<u>4,098,963</u>

3.5.2 Allowance for doubtful accounts - classified by loan loss provisioning method

(Unit: Thousand Baht)

As at 30 September 2012				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	1,852,247	2,242,853	3,863	4,098,963
Increase (decrease) in allowance for doubtful accounts during the period	407,479	1,324,095	(6,589)	1,724,985
Transfer from allowance for declining in value of property foreclosed	-	-	9,635	9,635
Bad debt written-off	(66,807)	(1,254,087)	-	(1,320,894)
Balance - end of period	<u>2,192,919</u>	<u>2,312,861</u>	<u>6,909</u>	<u>4,512,689</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at 31 December 2011			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	547,072	961,515	2,350,825	3,859,412
Increase (decrease) in allowance for doubtful accounts during the year	1,414,893	2,674,585	(2,360,249)	1,729,229
Transfer from allowance for declining in value of property foreclosed	-	-	13,287	13,287
Bad debt written-off	(109,718)	(1,393,247)	-	(1,502,965)
Balance - end of year	1,852,247	2,242,853	3,863	4,098,963

3.5.3 Non-performing loans to customers

(Unit: Million Baht)

	As at	
	30 September 2012	31 December 2011
Non-performing loans to customers	2,388	2,214
Allowance for doubtful accounts	801	627

3.6 Classification of assets

3.6.1 Investments in companies with weak financial position and poor operating results

	(Unit: Million Baht)					
	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts ⁽¹⁾ as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

⁽¹⁾ Allowance for possible loss is determined based on the investment cost less collateral value.

⁽²⁾ Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

⁽³⁾ Investments in securities of companies which are vulnerable to delisting, of companies of which the auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

3.6.2 Classification of assets under the Bank of Thailand's guidelines

As at 30 September 2012 and 31 December 2011, the quality of the Bank's assets classified in accordance with the Bank of Thailand's guidelines is as follows:

(Unit: Million Baht)

	Loans to customer ⁽¹⁾		Investments in securities		Investments in receivables		Property foreclosed		Total	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Pass	240,368	191,868	-	-	-	-	-	-	240,368	191,868
Special mention	10,607	10,880	-	-	-	-	-	-	10,607	10,880
Sub-standard	1,547	1,517	-	-	-	-	-	-	1,547	1,517
Doubtful	405	254	-	-	-	-	-	-	405	254
Doubtful of loss	436	443	73	138	21	18	18	50	548	649
Total	253,363	204,962	73	138	21	18	18	50	253,475	205,168

⁽¹⁾ Loans to customers include investment in debt securities under resale agreements of other commercial banks and loan to financial institutions (which are presented as part of interbank and money market items-asset in the statements of financial position)

3.6.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which the Bank sets aside provision using a collective approach

(Unit: Million Baht)

	Debt balance as at		Net amount used for set the allowance for doubtful accounts ⁽¹⁾ as at		Percentage of allowance for doubtful account set up ⁽²⁾ as at		Allowance for doubtful accounts ⁽³⁾ as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012 (%)	31 December 2011 (%)	30 September 2012	31 December 2011
Pass	148,503	122,851	148,503	122,851	1.18	1.42	1,212	1,723
Special mention	9,818	10,066	9,818	10,066	1.18	1.42	659	165
Sub-standard	1,410	1,429	1,410	1,429	24.26	20.88	341	296
Doubtful	367	220	367	220	24.26	20.88	91	48
Doubtful of loss	44	50	44	50	24.26	20.88	10	11
Total	160,142	134,616	160,142	134,616			2,313	2,243

⁽¹⁾ The Bank does not deduct the collateral value from the outstanding loan balance for calculation allowance for doubtful accounts for hire purchase receivables.

⁽²⁾ These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

⁽³⁾ These allowance for doubtful accounts include the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

(Unaudited but reviewed)

3.6.4 Loans to customers includes debts due from companies with weak financial position and operating results

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts in the accounts	
	as at		as at		as at		as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies								
vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies								
vulnerable to delisting from the SET	1	1	240	247	142	145	120	123
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	1	1	13	13	-	-	13	13
5. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	2	2	253	260	142	145	133	136

3.7 Other assets

(Unit: Thousand Baht)

	As at	
	30 September 2012	31 December 2011
Value added tax - net	886,856	226,451
Accrued interest receivable	18,068	12,147
Fee and charges receivable	60,132	37,124
Refundable income tax	346,990	348,144
Deposits	31,663	30,466
Other receivables	469,205	345,631
Other assets	145,880	248,868
Total other assets	1,958,794	1,248,831

3.8 Deposits

3.8.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
Deposits		
Current accounts	4,615,028	3,503,982
Saving accounts	26,352,153	17,082,939
Fixed accounts		
- not over 6 months	14,310,105	1,265,389
- over 6 months and less than 1 year	1,137,279	588,126
- over 1 year	163,337	195,633
Certificates of deposit/negotiable certificates of deposit	135,641,367	15,423,817
Total	<u>182,219,269</u>	<u>38,059,886</u>

3.8.2 Classified by the remaining period of contract

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
Not over 1 year*	180,930,345	37,533,669
Over 1 year	1,288,924	526,217
Total deposits	<u>182,219,269</u>	<u>38,059,886</u>

* Including fully-mature deposit contract

3.8.3 As at 30 September 2012 and 31 December 2011, all outstanding deposits are deposits from domestic depositors and in Baht.

3.9 Debt issued and borrowings

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	7,000,000	6,000,000
Unsubordinated unsecured debentures	5,828,200	1,076,000
Bills of exchange	32,525,892	136,709,733
Promissory notes	797	1,034
Total	<u>45,354,889</u>	<u>143,786,767</u>

3.9.1 Subordinated unsecured debentures

Year	Type of debenture	Units as at (Units)		Face value per unit (Baht)	Balance as at (Million Baht)		Maturity in the year	Interest rate
		30 September 2012	31 December 2011		30 September 2012	31 December 2011		
		2009	Subordinated and unsecured long-term debentures		2 million	2 million		
2009	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.00 percent per annum in the first to third years, 5.50 percent per annum in the forth to seventh years and 6.00 percent per annum in the eighth to tenth years.
2010	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	5.00 percent per annum.
2010	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	4.80 percent per annum.
2012	Subordinated and unsecured long-term debentures	1 million	-	1,000	1,000	-	2022	4.85 percent per annum.
Total					<u>7,000</u>	<u>6,000</u>		

3.9.2 Unsubordinated unsecured debentures

Year	Type of debenture	Units as at (Units)		Face value per unit (Baht)	Balance as at (Million Baht)		Maturity in the year	Interest rate
		30 September 2012	31 December 2011		30 September 2012	31 December 2011		
		2007	Unsubordinated and unsecured long - term debentures		-	1 million		
2011	Unsubordinated and unsecured long - term debentures	-	76,000	1,000	-	76	2012	3.40 percent per annum
2012	Unsubordinated and unsecured short - term debentures	4,324,300	-	1,000	4,324	-	2013	3.50 percent per annum
2012	Unsubordinated and unsecured short - term debentures	1 million	-	1,000	1,000	-	2013	3.50 percent per annum
2012	Unsubordinated and unsecured short - term debentures	503,900	-	1,000	504	-	2013	3.50 percent per annum
Total					<u>5,828</u>	<u>1,076</u>		

3.9.3 Bills of exchange

Bills of exchange comprised of the fixed interest rates bearing and float interest rate bearing, which will gradually mature in 2012 to 2015. The interest rates of the fixed interest rates bearing bills of exchange are between 2.25 and 4.25 percent per annum.

3.10 Provision for long-term employee benefits

Provision for long-term employee benefits as at 30 September 2012 and 31 December 2011, which is compensation on employee's retirement was as follows:

	(Unit: Thousand Baht)	
	30 September 2012	31 December 2011
Balance - beginning of periods	83,767	62,567
Current service cost	8,376	7,996
Interest cost	2,642	2,730
Benefit expense during the period	-	(650)
Actuarial (gain) losses	9,196	11,124
Balance - end of periods	<u>103,981</u>	<u>83,767</u>

Long-term employee benefits expenses included in profit or loss for the three-month and nine-month periods ended 30 September 2012 and 2011 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Current service cost	2,792	1,844	8,376	5,534
Interest cost	880	644	2,642	1,931
Total employee benefit plan expenses	<u>3,672</u>	<u>2,488</u>	<u>11,018</u>	<u>7,465</u>

3.11 Other liabilities

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
Withholding income tax and other tax payable	51,508	263,548
Accrued insurance premium	633,561	399,104
Deferred income	516,122	490,439
Accrued expenses ⁽¹⁾	1,270,803	743,715
Suspense creditors	-	393,614
Other liabilities	626,651	135,318
Total other liabilities	<u>3,098,645</u>	<u>2,425,738</u>

⁽¹⁾ The above accrued expenses included accrued bonus expenses which are remuneration paid to the management and employees based on annual performances. These accrued bonus expenses include costs of annual bonus that are determined with reference to the parent company's share price, paid to employees whose performance impacts on the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily share price of the parent company's shares over the period of five years from grant date to settlement date. As of 30 September 2012, the Bank has accrued vested bonus under this scheme amounting to Baht 84 million.

3.12 Preference shares converted to ordinary shares

Up to 30 September 2012, 627,952,146 preference shares have been converted into ordinary shares, and such conversion has been registered with the Ministry of Commerce.

As at 30 September 2012, there are 104 preference shares which are convertible to ordinary shares. However, since 30 June 2009, the rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

3.13 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain capital adequacy ratio in accordance with the regulations of Bank of Thailand.

The Bank maintains capital adequacy ratio in comply with Basel II principles which is implementing capital requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, equity exposure and other assets.

Regarding to Capital fund as of 30 September 2012 and 31 December 2011 under Basel II framework, the Bank has allocated the additional reserve from classification as a part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under BOT's regulation.

Capital funds of the Bank are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2012	31 December 2011
<u>Tier I</u>		
Issued and fully paid up share capital	7,281,522	7,281,522
Premium on share capital	130,451	130,451
Statutory reserve	846,100	714,600
Retained earnings - unappropriated	6,089,582	4,684,261
Less : Deferred tax assets	(41,655)	(104,334)
Deficit provision according to IRB	(478,402)	(447,545)
Total Tier I	13,827,598	12,258,955
<u>Tier II</u>		
Subordinated long-term debentures	6,685,780	5,873,988
Reserve for loans classified as pass	862,087	798,661
Less: Deficit provision according to IRB	(478,402)	(447,545)
Total Tier II	7,069,465	6,225,104
Total capital fund	20,897,063	18,484,059

(Unaudited but reviewed)

(Unit: %)

Capital ratios	As at			
	30 September 2012		31 December 2011	
	The Bank	Requirement	The Bank	Requirement
Tier I capital to risk assets	8.99 ⁽¹⁾	4.25	9.88 ⁽¹⁾	4.25
Total capital to risk assets	13.58 ⁽²⁾	8.50	14.90 ⁽²⁾	8.50

⁽¹⁾ Before Capital Floor⁽²⁾ After Capital Floor

To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 25/2552 regarding “Public Disclosure of Capital Maintenance for Commercial Banks”, the Bank has disclosed capital maintenance information as at 30 June 2012 on its website on 31 October 2012.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Interbank and money market items	159,983	162,275	467,960	332,805
Investments in debt securities	48,019	54,310	129,692	182,156
Loans to customers	1,179,304	923,120	3,138,145	2,321,385
Hire purchase and financial lease income	2,290,918	1,959,009	6,535,185	5,594,348
Total interest income	3,678,224	3,098,714	10,270,982	8,430,694

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Deposits	1,119,687	231,255	1,803,969	565,693
Interbank and money market items	86,714	60,093	287,623	145,633
Contribution fee to the Deposit Protection				
Agency and Bank of Thailand	222,885 ⁽¹⁾	37,480 ⁽²⁾	459,806 ⁽¹⁾	124,005 ⁽²⁾
Issued debt instruments				
- Subordinated debentures	94,899	77,633	268,337	230,367
- Unsubordinated debentures	51,416	10,183	131,113	30,217
Borrowings	462,210	1,093,712	2,701,702	2,351,365
Total interest expenses	<u>2,037,811</u>	<u>1,510,356</u>	<u>5,652,550</u>	<u>3,447,280</u>

⁽¹⁾ Record at a rate of 0.40% per year based on outstanding average deposits amount up to 26 January 2012 and after that record at a rate of 0.01% per year based on outstanding average deposits amount and at a rate of 0.46% per year based on outstanding average public funding base including deposits, bill of exchanges, and other securities issued by commercial bank which were issued starting from 27 January 2012 onwards, excluding outstanding subordinated debentures.

⁽²⁾ Record at a rate of 0.40% per year based on outstanding average deposits amount.

3.16 Fees and service income - net

Fees and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Fees and service income				
- Acceptance, aval and guarantees	2,955	9,538	9,493	18,480
- Insurance service	510,454	148,404	1,383,104	843,735
- Financial advisory fees	2,300	-	3,500	1,000
- Others	139,532	247,950	421,034	343,909
Total fees and service income	655,241	405,892	1,817,131	1,207,124
Fees and service expenses	(18,353)	(14,764)	(54,465)	(49,265)
Fees and service income - net	<u>636,888</u>	<u>391,128</u>	<u>1,762,666</u>	<u>1,157,859</u>

3.17 Gains on trading and foreign exchange transactions

Gains on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	4,113	9,032	(12,988)	30,643
- Derivatives on interest rates	7,345	40,616	33,951	7,657
- Debt securities	4,660	2,833	12,525	8,124
Gain on cash flow hedges	-	-	100,761	-
Total	16,118	52,481	134,249	46,424

3.18 Gains (losses) on investments

Gains (losses) on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Gains (losses) on disposal				
- Available-for-sale securities	103	-	1,416	50,872
- Held-to-maturity securities	74	31	442	157
- General investments	14,390	(9,904)	36,906	2,345
Total	14,567	(9,873)	38,764	53,374
Reversal (losses) on impairment				
- General investments	68,052	3,951	68,498	3,334
- Investments in subsidiaries	(1,584)	(616)	(2,628)	(2,188)
Total	66,468	3,335	65,870	1,146
Gains (losses) on investments - net	81,035	(6,538)	104,634	54,520

3.19 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Interbank and money market items	2,000	-	(8,000)	-
Held-to-maturity debt securities	1,810	(7,763)	2,556	(1,322)
Loans to customers	438,697	271,088	1,153,672	860,252
Total	442,507	263,325	1,148,228	858,930

3.20 Other operating incomes

Other operating income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Gains on disposal of property foreclosed	9,498	15,686	36,551	50,500
Dividend income	13,393	13,297	54,832	75,126
Others	11,677	10,722	22,802	21,440
Total	34,568	39,705	114,185	147,066

3.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2012 and 2011 consisted of the following:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2012	2011	2012	2011
Mailing expenses	8,896	9,971	30,464	29,559
Software amortisation expenses	11,127	14,211	33,038	35,311
Legal expenses	40,851	30,730	106,896	93,580
Transportation expenses	17,478	20,584	50,613	59,153
Others	51,177	43,712	129,678	120,805
Total	129,529	119,208	350,689	338,408

3.22 Income tax expense

Income tax expenses of the Bank of for the three-month and nine-month periods ended 30 September 2012 and 2011 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2012	2011	2012	2011
Current income tax:				
Income tax expenses for the periods	132,530	309,801	429,821	954,051
Adjustment in respect of current income tax of previous period	-	-	386	1,297
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	60,058	(20,439)	149,748	(118,715)
Income tax expense reported in statements of comprehensive income	192,588	289,362	579,955	836,633

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Other comprehensive income				
Available-for-sale securities:				
Gains (losses) arising during the periods	239	(1,837)	(760)	41,796
Less: Reclassification adjustments for gains included in profit or loss	(103)	-	(1,416)	(50,872)
	136	(1,837)	(2,176)	(9,076)
Actuarial gain or losses arising from post-employment benefits	-	(11,124)	(9,195)	(11,124)
Cash flow hedges:				
Gains (losses) arising during the periods	-	82,142	(36,288)	82,142
Add: Reclassification adjustments for losses (gains) included in profit or losses	-	8,628	(91,989)	8,628
	-	90,770	(128,277)	90,770
Total other comprehensive income	136	77,809	(139,648)	70,570
Income tax relating to components of other comprehensive income	(27)	(23,342)	27,929	(21,171)
Other comprehensive income for the periods - net	109	54,467	(111,719)	49,399

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	For the three-month periods ended 30 September					
	2012			2011		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Increase (decrease) in surplus on change in value of investments	136	(27)	109	(1,837)	551	(1,286)
Actuarial gains or losses arising from post-employment benefits	-	-	-	(11,124)	3,338	(7,786)
Cash flow hedges	-	-	-	90,770	(27,231)	63,539
	136	(27)	109	77,809	(23,342)	54,467

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September					
	2012			2011		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Increase (decrease) in surplus on change in value of investments	(2,176)	435	(1,741)	(9,076)	2,722	(6,354)
Actuarial gains or losses arising from post- employment benefits	(9,195)	1,838	(7,357)	(11,124)	3,338	(7,786)
Cash flow hedges	(128,277)	25,656	(102,621)	90,770	(27,231)	63,539
	<u>(139,648)</u>	<u>27,929</u>	<u>(111,719)</u>	<u>70,570</u>	<u>(21,171)</u>	<u>49,399</u>

3.25 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Bank (excluding other comprehensive income) by the weighted average number of ordinary shares and preference shares in issue during the period. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2012	2011	2012	2011
	Profit attributable to equity holders of the Bank (Thousand Baht)	687,061	689,612	2,049,196
Weighted average number of shares (Thousand shares)	728,152	728,152	728,152	728,152
Basic earnings per share (Baht/share)	0.94	0.95	2.81	2.79

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 31 December 2011	Increase	Decrease	As at 30 September 2012
<u>Outstanding balance</u>				
Parent company:				
TISCO Financial Group Plc.				
Other assets	54,955	-	(54,955)	-
Deposits	25,413	429,882	(18,473)	436,822
Accrued interest payable	33	1,524	(1,361)	196
Borrowings	144,000	773,000	(917,000)	-
Dividend payable	400,418	-	(400,418)	-
Other liabilities	-	107,396	(25,980)	81,416
Related companies (related by common shareholder)				
Other Assets:				
TISCO Securities Co., Ltd.	90	190	(109)	171
TISCO Leasing Co., Ltd.	-	21,064	-	21,064
Deposits:				
Hi-Way Co., Ltd.	15,451	13,509	(10,706)	18,254
TISCO Information Technology Co., Ltd.	1,130	42,225	(4,377)	38,978
Primus Leasing Co., Ltd.	30,113	2,730	(2)	32,841
TISCO Tokyo Leasing Co., Ltd.	383	257	(459)	181
TISCO Learning Center Co., Ltd.	1,997	10,773	(2,617)	10,153
TISCO Investment Advisory Co., Ltd.	852	1,793	(1,128)	1,517
TISCO Leasing Co., Ltd.	5,552	4,265	(8,057)	1,760
Interbank and money market items				
(Liabilities):				
TISCO Securities Co., Ltd.	3,408	473,810	-	477,218
TISCO Asset Management Co., Ltd.	7,475	59,393	(33,680)	33,188
Borrowings:				
TISCO Information Technology Co., Ltd.	50,000	40,000	(90,000)	-
TISCO Learning Center Co., Ltd.	5,000	-	(5,000)	-
Accrued interest payable:				
TISCO Securities Co., Ltd.	-	109	-	109
TISCO Asset Management Co., Ltd.	2	91	(81)	12
Hi-Way Co., Ltd.	-	170	(75)	95
TISCO Information Technology Co., Ltd.	124	83	(161)	46
TISCO Leasing Co., Ltd.	-	71	(30)	41
TISCO Learning Center Co., Ltd.	12	-	(12)	-
Other liabilities:				
TISCO Learning Center Co., Ltd.	1,473	4,256	(1,184)	4,545

(Unaudited but reviewed)

(Unit Thousand Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Terms and pricing policy (For the period 2012)
	2012	2011	2012	2011	
Transactions occurred during the periods					
Parent company					
Risk and financial management fee income, human resources management fee income and office administration fee income	269,405	222,697	762,878	722,760	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest expenses	3,743	3,114	13,847	11,979	With reference to the terms and prices as offered to other customers
Others expenses	2,315	2,344	6,421	7,032	With reference to the terms and prices as offered to other customers
Related companies (related by common shareholder)					
Interest income	-	1,842	-	3,723	With reference to the terms and prices as offered to other customers
Other income	3,580	449	4,863	1,305	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	57,500	53,250	172,500	159,750	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	10,044	6,737	21,055	21,096	With reference to the prices as offered from other service providers
Interest expenses	1,524	926	3,702	2,015	With reference to the terms and prices as offered to other customers
Others expenses	1,454	318	7,353	978	With reference to the terms and prices as offered to other customers

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	As at	
	30 September 2012	31 December 2011
Loans ⁽¹⁾	9,854	7,396

⁽¹⁾ Including the employee welfare loan and normal loan**Liabilities payable to directors and key management personnel**

(Unit: Thousand Baht)

	As at	
	30 September 2012	31 December 2011
Deposits	62,199	47,053
Debt issued and Borrowings	3,090	15,174

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2012 and 2011, the Bank paid benefit remuneration to their directors and management as below:

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Short-term benefit	19	20	54	53
Post-employment benefit	-	-	1	1
Total	19	20	55	54

3.27 Financial information by segment

The Bank's business operations involve a single industry segment, providing financial service in the form of commercial banking business, and are carried on in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

3.28 Commitments and contingent liabilities

3.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	As at	
	30 September 2012	31 December 2011
Avals	-	5,280
Other guarantees	880,231	4,447,136
Undrawn client overdraft facilities	43,446	30,976
Interest rate swap agreements	4,465,864	5,982,000
Cross currency swap agreements	3,082,875	7,215,602
	8,472,416	17,680,994

3.28.2 Litigation

As at 30 September 2012, the Bank has been sued for compensation totaling approximately Baht 162 million. Final judgments have not yet been reached in respect of these cases. The management of the Bank and its subsidiary believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

In December 2005, a foreign subsidiary received a letter from the solicitor of one of its clients, requesting payment of damages amounting to HKD 46.6 million (equivalent to Baht 185 million as at 30 September 2012). Through a court process, the litigant consented to end the litigation on 25 July 2012 and a consent order was granted by the court on 26 July 2012.

3.28.3 Other commitments

- a) The Bank has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The Bank has entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally 3 years.

As at 30 September 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	<u>Million Baht</u>
Payable within:	
Not over 1 year	90
1 to 3 years	88

4. Dividend payment

	<u>Approved by</u>	<u>Dividend per share</u>		<u>Amounts of dividend paid</u> (Million Baht)	<u>Dividend payment period</u>
		<u>Preference share</u>	<u>Ordinary share</u>		
		(Baht per share)	(Baht per share)		
Interim dividend for 2011	The Board of Directors' Meeting of TISCO Bank No.6/2011 on 30 August 2011	0.92	0.92	670	September 2011
Total dividend payment in year 2011				<u>670</u>	

5. Approval of interim financial statements

These interim financial statements were approved by the Bank's Audit Committee on 5 November 2012.