

TISCO Financial Group Public Company Limited
and its subsidiary companies
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 Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2012, the related consolidated 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 consolidated financial statements, and have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same periods. 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 Thai Standards on Auditing 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 consolidated financial statements of TISCO Financial Group Public Company Limited and its subsidiaries and the separate financial statements of TISCO Financial Group Public Company Limited for the year ended 31 December 2011 in accordance with Thai Standards on Auditing, and expressed an unqualified opinion on those statements under my report dated 6 February 2012. The consolidated and separate statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

A handwritten signature in black ink, appearing to read 'R. Jala'.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 5 November 2012

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		879,888	903,450	50	50
Interbank and money market items - net	3.1	35,617,637	30,722,345	437,121	169,447
Derivatives assets	3.2	26,143	45,374	-	-
Investments - net	3.3, 3.7	5,008,342	3,706,257	-	-
Investments in subsidiaries - net	3.4	-	-	15,021,895	15,021,902
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		251,114,352	203,429,925	2,521,000	944,000
Accrued interest receivable		298,121	258,374	-	-
Total loans to customers and accrued interest receivables		251,412,473	203,688,299	2,521,000	944,000
Less: Deferred revenue		(22,902,671)	(18,416,303)	-	-
Less: Allowance for doubtful accounts	3.6	(4,882,044)	(4,420,351)	-	-
Less: Allowance for loss on debt restructuring		(3)	(3)	-	-
Loans to customers and accrued interest receivables - net		223,627,755	180,851,642	2,521,000	944,000
Property foreclosed - net	3.7	295,740	257,869	-	-
Investment property		467	952	366,521	376,439
Premises and equipment - net		1,388,553	1,450,901	382,553	395,255
Intangible assets - net		143,100	182,317	48,632	62,427
Deferred tax assets		250,809	355,401	152,641	154,406
Securities and derivatives business receivables - net		2,756,166	724,650	-	-
Dividend receivable from subsidiaries	3.26	-	-	-	735,317
Other assets	3.8	2,813,855	1,516,412	135,675	39,256
Total assets		272,808,455	220,717,570	19,066,088	17,898,499

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2012	31 December 2011	30 September 2012	31 December 2011	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	181,589,846	37,978,994	-	-
Interbank and money market items - net		13,536,152	14,478,653	-	-
Liability payable on demand		695,897	448,049	-	-
Derivatives liabilities	3.2	8,231	276,056	-	-
Debts issued and borrowings	3.10	49,626,295	145,396,598	4,341,405	1,808,832
Provision for long-term employee benefits	3.11	249,843	205,141	57,189	49,069
Deferred tax liabilities		116,189	61,339	-	-
Securities and derivatives business payables		1,826,176	469,540	-	-
Accrued interest payable		1,938,731	1,396,455	32,498	8,465
Income tax payable		160,789	137,821	10,755	50,348
Other liabilities	3.12	5,722,217	3,557,332	786,471	676,258
Total liabilities		255,470,366	204,405,978	5,228,318	2,592,972

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 30 September 2012 and 31 December 2011

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered share capital				
	3,722,879	3,722,879	3,722,879	3,722,879
372,287,914 preference shares of Baht 10 each				
727,912,086 ordinary shares of Baht 10 each	7,279,121	7,279,121	7,279,121	7,279,121
	<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>	<u>11,002,000</u>
Issued and fully paid-up share capital				
	339	339	339	339
33,858 preference shares of Baht 10 each				
727,878,228 ordinary shares of Baht 10 each	7,278,782	7,278,782	7,278,782	7,278,782
	<u>7,279,121</u>	<u>7,279,121</u>	<u>7,279,121</u>	<u>7,279,121</u>
Share premium				
	-	-	298	298
Share premium on preference shares				
Share premium on ordinary shares	-	-	6,012,817	6,012,817
	-	-	<u>6,013,115</u>	<u>6,013,115</u>
Other components of shareholders' equity				
	1,019,031	999,037	-	-
Retained earnings				
	297,900	297,900	297,900	297,900
Appropriated-statutory reserve				
Unappropriated	8,616,816	7,634,389	247,634	1,715,391
	<u>17,212,868</u>	<u>16,210,447</u>	<u>13,837,770</u>	<u>15,305,527</u>
Equity attributable to owners of the Company				
	125,221	101,145	-	-
Non-controlling interest of the subsidiaries				
	<u>17,338,089</u>	<u>16,311,592</u>	<u>13,837,770</u>	<u>15,305,527</u>
Total shareholders' equity				
	<u>272,808,455</u>	<u>220,717,570</u>	<u>19,066,088</u>	<u>17,898,499</u>
Total liabilities and shareholders' equity				

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



Mrs. Oranuch Apisaksirikul
(Group Chief Executive, TISCO Group)



บริษัท ทีเอสซีไฟแนนเชียลกรุ๊ป จำกัด (มหาชน)
TISCO Financial Group Public Company Limited

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

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	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Interest income	3.14	3,939,775	3,311,804	20,081	13,425
Interest expenses	3.15	(2,117,035)	(1,570,389)	(34,523)	(27,616)
Net interest income		1,822,740	1,741,415	(14,442)	(14,191)
Fees and service income		1,117,527	782,970	-	-
Fees and service expenses		(57,802)	(54,825)	(2,648)	(2,588)
Net fees and service income	3.16	1,059,725	728,145	(2,648)	(2,588)
Net gains on tradings and foreign exchange transactions	3.17	38,942	44,793	-	-
Net gains (losses) on investments	3.18	82,552	(5,983)	-	-
Dividend income		21,193	25,149	-	669,790
Penalty fee income from loans		64,456	54,959	-	-
Income from business promotion relating to the business		403,709	198,721	-	-
Intercompany supporting fee income	3.26	-	-	395,813	343,277
Other operating incomes	3.20, 3.26	33,673	46,572	16,591	15,250
Total operating incomes		3,526,990	2,833,771	395,314	1,011,538
Other operating expenses					
Employee's expenses		799,688	635,431	167,800	142,373
Directors' remuneration		3,235	3,350	2,995	3,110
Premises and equipment expenses		210,606	190,366	82,306	70,432
Taxes and duties		44,772	58,427	3	3
Expenses to business promotion relating to the business		495,103	189,820	-	-
Others	3.21	210,180	180,395	42,088	27,048
Total other operating expenses		1,763,584	1,257,789	295,192	242,966
Bad debt, doubtful accounts and impairment losses	3.19	531,810	301,788	-	-
Profit before income tax expense		1,231,596	1,274,194	100,122	768,572
Income tax expense	3.22	271,003	370,429	23,420	24,336
Profit for the periods		960,593	903,765	76,702	744,236

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Other comprehensive income	3.23				
Gains (losses) arising from translating the financial statements					
of a foreign operation		(1,408)	551	-	-
Investment in available-for-sale securities		116,024	(163,096)	-	-
Actuarial gains or losses arising from post-employment benefits		-	(23,545)	-	(5,405)
Cash flow hedges		56,373	71,746	-	-
Income tax (charge)/credit relating to components of					
other comprehensive income	3.23, 3.24	(34,479)	34,468	-	1,621
Other comprehensive income for the period -net		<u>136,510</u>	<u>(79,876)</u>	<u>-</u>	<u>(3,784)</u>
Total comprehensive income for the period		<u>1,097,103</u>	<u>823,889</u>	<u>76,702</u>	<u>740,452</u>
Profit attributable to:					
Equity holders of the Company	3.25	952,979	898,926		
Non-controlling interests of the subsidiaries		7,614	4,839	76,702	744,236
		<u>960,593</u>	<u>903,765</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		1,066,489	825,842		
Non-controlling interests of the subsidiaries		30,614	(1,953)	76,702	740,452
		<u>1,097,103</u>	<u>823,889</u>		
Earnings per share - equity holders of the Company	3.25				
Basic earnings per share		<u>1.31</u>	<u>1.23</u>	<u>0.11</u>	<u>1.02</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

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	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Interest income	3.14	10,969,974	9,034,207	51,944	41,574
Interest expenses	3.15	(5,853,029)	(3,585,808)	(79,729)	(65,908)
Net interest income		5,116,945	5,448,399	(27,785)	(24,334)
Fees and service income		3,062,371	2,342,313	-	-
Fees and service expenses		(168,009)	(162,556)	(6,614)	(7,594)
Net fees and service income	3.16	2,894,362	2,179,757	(6,614)	(7,594)
Net gains on tradings and foreign exchange transactions	3.17	160,362	25,817	-	-
Net gains (losses) on investments	3.18	107,055	63,962	(7)	(22)
Dividend income		82,425	83,249	2,205	671,995
Penalty fee income from loans		194,110	173,099	-	-
Income from business promotion relating to the business		872,749	414,810	-	-
Intercompany supporting fee income	3.26	-	-	1,141,053	1,086,014
Other operating income	3.20, 3.26	94,095	116,754	48,463	46,816
Total operating income		9,522,103	8,505,847	1,157,315	1,772,875
Other operating expenses					
Employee's expenses		2,273,305	2,154,815	485,288	501,159
Directors' remuneration		9,995	9,791	9,275	9,071
Premises and equipment expenses		627,209	556,291	241,358	201,329
Taxes and duties		126,054	171,632	1,440	1,446
Expenses to business promotion relating to the business		1,032,435	437,578	-	-
Others	3.21	562,700	508,536	98,263	79,030
Total other operating expenses		4,631,698	3,838,643	835,624	792,035
Bad debt, doubtful accounts and impairment losses	3.19	1,382,951	981,481	-	-
Profit before income tax expense		3,507,454	3,685,723	321,691	980,840
Income tax expense	3.22	777,686	1,081,437	75,866	76,485
Profit for the periods		2,729,768	2,604,286	245,825	904,355

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of comprehensive income (continued)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Other comprehensive income	3.23				
Gains (losses) arising from translating the financial statements of a foreign operation		(1,185)	1,525	-	-
Investment in available-for-sale securities		149,573	(376,969)	-	-
Actuarial gains or losses arising from post-employment benefits		(20,034)	(23,545)	(3,761)	(5,405)
Cash flow hedges		(117,711)	79,479	-	-
Income tax (charge)/credit relating to components of other comprehensive income	3.23, 3.24	(2,424)	94,694	752	1,621
Other comprehensive income for the period -net		8,219	(224,816)	(3,009)	(3,784)
Total comprehensive income for the period		2,737,987	2,379,470	242,816	900,571
Profit attributable to:					
Equity holders of the Company	3.25	2,709,374	2,590,721		
Non-controlling interests of the subsidiaries		20,394	13,565	245,825	904,355
		2,729,768	2,604,286		
Total comprehensive income attributable to:					
Equity holders of the Company		2,712,994	2,369,936		
Non-controlling interests of the subsidiaries		24,993	9,534	242,816	900,571
		2,737,987	2,379,470		
Earnings per share - equity holders of the Company	3.25				
Basic earnings per share		3.72	3.56	0.34	1.24

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

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

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owner of the Company												
		Other components of shareholders equity				Adjustment from				Total equity	Equity attributable	
		Other comprehensive income		business combination		Total other		Retained earnings		attributable to	to non-controlling	
Issued and fully paid-up share capital		Surplus (deficit)		of entities under		components				owner of	interests of	
Preference shares	Ordinary shares	on change in value	Cash flow hedges	Translation	under holding	of shareholders'			the Company	the subsidiaries	Total	
		of available-for-sale		adjustment	restructuring plan	equity	Appropriated	Unappropriated				
Balance as at 1 January 2011	354	7,278,767	292,656	(3,211)	80,835	679,266	1,049,546	212,600	6,125,378	14,666,645	79,490	14,746,135
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(1,637,752)	(1,637,752)	-	(1,637,752)
Total comprehensive income for the period	-	-	(265,494)	59,666	1,525	-	(204,303)	-	2,574,239	2,369,936	9,534	2,379,470
Preference shares converted to ordinary shares	(15)	15	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,404)	(2,404)
Balance as at 30 September 2011	339	7,278,782	27,162	56,455	82,360	679,266	845,243	212,600	7,061,865	15,398,829	86,620	15,485,449
Balance as at 1 January 2012	339	7,278,782	139,135	97,374	83,262	679,266	999,037	297,900	7,634,389	16,210,447	101,145	16,311,592
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(1,710,573)	(1,710,573)	-	(1,710,573)
Total comprehensive income for the period	-	-	119,659	(98,480)	(1,185)	-	19,994	-	2,693,000	2,712,994	24,993	2,737,987
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(917)	(917)
Balance as at 30 September 2012	339	7,278,782	258,794	(1,106)	82,077	679,266	1,019,031	297,900	8,616,816	17,212,868	125,221	17,338,089

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

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

(Unit: Thousand Baht)

	Separate financial statements						Total
	Issued and fully paid-up share capital		Share premium		Retained earnings		
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Appropriated	Unappropriated	
Balance as at 1 January 2011	354	7,278,767	311	6,012,804	212,600	1,741,171	15,246,007
Dividend paid (Note 4)	-	-	-	-	-	(1,637,752)	(1,637,752)
Total comprehensive income for the period	-	-	-	-	-	900,571	900,571
Preference shares converted to ordinary shares	(15)	15	(13)	13	-	-	-
Balance as at 30 September 2011	<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>212,600</u>	<u>1,003,990</u>	<u>14,508,826</u>
Balance as at 1 January 2012	339	7,278,782	298	6,012,817	297,900	1,715,391	15,305,527
Dividend paid (Note 4)	-	-	-	-	-	(1,710,573)	(1,710,573)
Total comprehensive income for the period	-	-	-	-	-	242,816	242,816
Balance as at 30 September 2012	<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>297,900</u>	<u>247,634</u>	<u>13,837,770</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before income tax	3,507,454	3,685,723	321,691	980,840
Adjustments to reconcile profit before income tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	242,593	276,259	82,402	111,714
Bad debts and doubtful accounts	1,967,702	1,521,547	-	-
Allowance for impairment of investments	(66,047)	(5,123)	7	22
Allowance for impairment of property foreclosed	(460)	152	-	-
Gain on sale of investments	(38,557)	(60,628)	-	-
Unrealised (gain) loss on trading and foreign exchange transactions	(20,947)	(30,152)	-	-
Gain on disposal of equipment	(5,315)	(7,694)	-	(23)
Losses from written-off of equipment	-	279	-	-
Unrealised loss from trading securities	21,691	12,448	-	-
Gain on disposal of property foreclosed	(41,638)	(55,085)	-	-
Gain on cash flow hedge	(100,761)	-	-	-
Provision for long-term employee benefits	24,668	17,204	4,359	2,585
Decrease (increase) in other accrued income	(53,723)	14,062	(81,447)	6,145
Increase in accrued expenses	487,814	629,496	122,592	263,293
Net interest income	(5,116,946)	(5,448,399)	27,785	24,335
Dividend income	(82,425)	(83,249)	(2,205)	(671,995)
Cash received on interest income	10,850,511	8,800,393	51,678	41,175
Cash paid on interest expenses	(5,310,754)	(2,769,457)	(55,697)	(62,228)
Cash received on dividend income	79,888	83,249	737,522	2,261,238
Cash paid on income tax expense	(629,345)	(1,777,468)	(112,942)	(176,910)
Profit from operating activities before changes in operating assets and liabilities	5,715,403	4,803,557	1,095,745	2,780,191
Decrease (increase) in operating assets				
Interbank and money market items	(5,058,772)	(6,029,012)	(267,674)	(415,487)
Loans to customers	(46,118,319)	(33,884,959)	(1,577,000)	398,000
Securities and derivative business receivables	(2,031,516)	226,236	-	-
Property foreclosed	1,342,164	923,080	-	-
Intangible assets	(18,905)	(36,496)	(4,911)	(10,261)
Other assets	(814,860)	253,372	(14,806)	3,352

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statements of cash flows (continued)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Increase (decrease) in operating liabilities				
Deposits	143,610,851	(10,619,271)	-	-
Interbank and money market items	(944,469)	1,659,865	-	-
Liability payable on demand	247,849	(70,433)	-	-
Payable to clearing house	-	-	-	-
Securities and derivative business payables	1,356,635	(827,125)	-	-
Debts issued and borrowings - short-term	(101,498,304)	46,351,165	2,532,574	(894,104)
Other liabilities	1,360,511	269,442	(12,379)	(2,122)
Net cash flows from (used in) operating activities	(2,851,732)	3,019,421	1,751,549	1,859,569
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(2,425,658)	(1,928,836)	-	-
Cash received from disposal of investment in securities held for investment	1,356,996	3,607,966	-	-
Cash paid for purchase of equipment	(127,566)	(157,631)	(40,976)	(80,328)
Cash received from disposal of equipment	8,156	9,383	-	150
Cash paid for acquisition of a subsidiary	-	-	-	(141,655)
Net cash flows from (used in) investing activities	(1,188,072)	1,530,882	(40,976)	(221,833)
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	(1,710,573)	(1,637,736)	(1,710,573)	(1,637,736)
Net cash flows from (used in) financing activities	4,017,427	(4,474,915)	(1,710,573)	(1,637,736)
Translation adjustment	(1,185)	1,525	-	-
Net decrease in cash	(23,562)	76,913	-	-
Cash at beginning of the periods	903,450	903,306	50	50
Cash at end of the periods	879,888	980,219	50	50
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Conversion of preference shares to ordinary shares	-	28	-	28
Transfer of properties foreclosed from receivables for debt settlement	-	3,382	-	-
Transfer investment property to premises and equipment	-	84,841	-	-

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

TISCO Financial Group Public Company Limited and its subsidiaries

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 Company choosing to present condensed interim financial statements. However, the Company 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 Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.2 Basis of preparation of consolidated financial statements

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2011. There is no change in the shareholding structure during the period.

1.3 New accounting standards issued during the period not yet effective

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

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

1.4 Significant accounting policies

These 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 Company's information

TISCO Financial Group Public Company Limited ("the Company") was incorporated as a holding company. Upon completion of the holding company restructuring plan on 9 January 2009, the Company became the parent company of TISCO Group in place of TISCO Bank Public Company Limited ("TISCO Bank"). On 15 January 2009, the securities of the Company were listed on the Stock Exchange of Thailand in place of those of TISCO Bank.

Its registered address is 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

2.2 Related party transactions

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

The Company 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 Company and those related parties, which are reference to the terms and price as charged to other customers.

The Company and its subsidiaries have not granted credit to companies of which at least 10 percent of the common shares of paid up capital are held by the Company, directors or management-level employees.

(Unaudited but reviewed)

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

The Company and its subsidiaries have no investments in related companies which are related by way of members of the management of the Company or of its subsidiaries being shareholders and/or authorised directors.

3. Supplemental information

3.1 Interbank and money market items - net (assets)

(Unit: Million Baht)

Interbank and money market items (assets) which are pledged	Consolidated financial statements as at		Type of pledge
	30 September 2012	31 December 2011	
Cash at banks of local subsidiary	10	10	To secure facilities provided for bank overdraft

3.2 Derivatives

3.2.1 Trading derivative

The subsidiary operating banking business 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	Consolidated financial statements 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.

3.2.2 Hedging derivatives

The subsidiary operating banking business and the subsidiary operating leasing business entered into interest rate swap agreements and cross currency swap agreements to manage the risk associated with their foreign currency certificates of deposit investment in foreign debt securities and borrowings, as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	30 September 2012			31 December 2011		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	845	713,492	22,924	133,119	4,982,220
Interest rate	-	9	3,125	543	594	372,500
Total	-	854	716,617	23,467	133,713	5,354,720

All counter parties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by types of investment

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2012	31 December 2011
Trading securities - fair value		
Domestic marketable equity securities	180	3,752
Add (less): Allowance for changes in value	(1)	21,691
Total trading securities	179	25,443
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
Domestic marketable equity securities	809,401	809,401
Other securities - unit trusts	25,281	30,281
Add: Allowance for changes in value	389,312	239,738
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale securities	4,320,395	2,521,471
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	261,646	686,519
Less: Allowance for impairment	(20,508)	(18,057)
Total held-to-maturity debt securities	241,138	668,462
General investments - cost		
Domestic non-marketable equity securities	495,513	608,263
Less: Allowance for impairment	(48,883)	(117,382)
Total general investments	446,630	490,881
Investments - net	5,008,342	3,706,257

(Unaudited but reviewed)

3.3.2 Classified by the remaining period to maturity of debt securities

(Unit: Million Baht)

	Consolidated financial statements							
	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
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

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restriction
	as at		
	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

(Unaudited but reviewed)

3.3.4 Investments in companies with weak financial positions and poor operating results of a subsidiary company operating banking business

(Unit: Thousand Baht)

Consolidated financial statements
as at 30 September 2012

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

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

(Unit: Thousand Baht)

Consolidated financial statements
As at 31 December 2011

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

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

3.3.5 Investments where a subsidiary company operating banking business holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Consolidated financial statements as at

Securities' name	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

3.4 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of shares as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the nine-month periods ended 30 September	
		30 September 2012	31 December 2011	30 September 2012	31 December 2011	30 September 2012	31 December 2011	2012	2011
				%	%				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.98	99.98	13,294	13,294	-	670
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
TISCO Tokyo Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	49.00	49.00	73	73	2	2
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	5	5	-	-
						15,131	15,131	2	672
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						15,022	15,022		

3.5 Loans to customers and accrued interest receivable

3.5.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 September 2012	31 December 2011
Loans to customers		
Loans	60,558,380	45,069,972
Hire purchase receivables	185,504,152	154,533,482
Financial lease receivables	5,527,450	4,046,616
Less: Deferred revenue	(22,902,671)	(18,416,303)
Advances received from financial lease receivables	(475,630)	(220,145)
Total loans to customers	228,211,681	185,013,622
Add: Accrued interest receivable	298,121	258,374
Less: Allowance for doubtful accounts	(4,882,044)	(4,420,351)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivable - net	223,627,755	180,851,642

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2012	31 December 2011
Loans to customers		
Loans	2,521,000	944,000
Add: Accrued interest receivable	-	-
Loans to customers and accrued interest receivable - net	<u>2,521,000</u>	<u>944,000</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2012			31 December 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	225,128,801	-	225,128,801	181,844,502	-	181,844,502
US Dollars	-	3,082,880	3,082,880	-	3,169,120	3,169,120
Total loans to customers net of deferred revenue	<u>225,128,801</u>	<u>3,082,880</u>	<u>228,211,681</u>	<u>181,844,502</u>	<u>3,169,120</u>	<u>185,013,622</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2012			31 December 2011		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,521,000	-	2,521,000	944,000	-	944,000
Total loans to customers net of deferred revenue	<u>2,521,000</u>	<u>-</u>	<u>2,521,000</u>	<u>944,000</u>	<u>-</u>	<u>944,000</u>

3.5.3 Classified by loan classification of a subsidiary company operating banking business

(Unit: Million Baht)

	As at 30 September 2012			As at 31 December 2011		
	Loans to customers and accrued interest receivable	Net amount used for set the allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivable	Net amount used for set the allowance for doubtful accounts	Allowance for doubtful accounts ^{(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	220,449	201,266	4,513	179,836	164,321	4,099

⁽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 TISCO 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 (As at 31 December 2011: total of Baht 2,053 million) of the excess provision to a specific provision for an individual debtors 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 accounts set up

	Hire purchase receivables ⁽¹⁾		Other loans ⁽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 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 up allowance for doubtful accounts in accordance with the BOT's minimum requirement.

3.5.4 Hire purchase and financial lease receivables

As at 30 September 2012, net receivables of the subsidiaries under hire purchase and financial lease agreements amount to Baht 167,840 million (31 December 2011: Baht 140,132 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)

Consolidated financial statements 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	57,871	124,226	5,460	3,474	191,031
Less: Deferred revenue*	(9,038)	(12,363)	20	(1,334)	(22,715)
Advances received from financial lease receivables	(26)	(446)	(3)	(1)	(476)
Present value of minimum lease pay from agreements	48,807	111,417	5,477	2,139	167,840
Allowance for doubtful accounts**					(2,673)
Net hire purchase and financial lease receivables					165,167

* 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.

(Unit: Million Baht)

Consolidated financial statements 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	49,809	101,960	3,386	3,425	158,580
Less: Deferred revenue*	(7,375)	(9,416)	(106)	(1,331)	(18,228)
Advances received from financial lease receivables	(17)	(197)	(6)	-	(220)
Present value of minimum lease pay from agreements	42,417	92,347	3,274	2,094	140,132
Allowance for doubtful accounts**					(2,564)
Net hire purchase and financial lease receivables					137,568

* 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)

3.5.5 Loans to customers of subsidiary companies for which the recognition of interest income has ceased

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO 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.

(Unit: Million Baht)

Other subsidiaries	As at	
	30 September 2012	31 December 2011
Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	324	397

3.5.6 Deferred revenue which is presented as a deduction against loans to customers of subsidiaries

(Unit: Million Baht)

	Consolidated financial statements	
	as at	
	30 September 2012	31 December 2011
Deferred revenue ⁽¹⁾	22,903	18,416

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

(Unaudited but reviewed)

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the nine-month periods ended	
	30 September	
	2012	2011
Debtors restructured during the periods		
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, a subsidiary company operating banking business has the outstanding balance with troubled debt restructuring debtors, as follows:

(Unit: Million Baht)

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

3.6 Allowance for doubtful accounts / allowance for loss on debt restructuring**3.6.1 Allowance for doubtful accounts - classified by the receivables classification**

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2012

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	3,393,569	237,316	469,683	95,954	219,966	3,863	4,420,351
Increase (decrease) in allowance for doubtful accounts during the period	(390,260)	703,722	470,583	1,106,572	91,735	(6,589)	1,975,763
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	9,635	9,635
Bad debt written-off	(668)	(11,557)	(403,896)	(1,040,948)	(66,636)	-	(1,523,705)
Balance - end of period	<u>3,022,641</u>	<u>929,481</u>	<u>536,370</u>	<u>161,578</u>	<u>245,065</u>	<u>6,909</u>	<u>4,882,044</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2011

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	934,963	92,619	237,767	88,718	457,130	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the year	2,461,032	162,942	655,523	699,660	346,657	(2,360,249)	1,965,565
Transfer from allowance for declining in value of property foreclosed	-	-	-	-	-	13,287	13,287
Bad debt written-off	(2,426)	(18,245)	(423,607)	(692,424)	(583,821)	-	(1,720,523)
Balance - end of year	<u>3,393,569</u>	<u>237,316</u>	<u>469,683</u>	<u>95,954</u>	<u>219,966</u>	<u>3,863</u>	<u>4,420,351</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 September 2012			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	1,874,151	2,542,337	3,863	4,420,351
Increase (decrease) in allowance for doubtful accounts during the period	427,383	1,554,969	(6,589)	1,975,763
Transfer from allowance for declining in value of property foreclosed	-	-	9,635	9,635
Bad debt written-off	(66,871)	(1,456,834)	-	(1,523,705)
Balance - end of period	<u>2,234,663</u>	<u>2,640,472</u>	<u>6,909</u>	<u>4,882,044</u>

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2011			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	565,586	1,245,611	2,350,825	4,162,022
Increase (decrease) in allowance for doubtful accounts during the year	1,418,943	2,906,871	(2,360,249)	1,965,565
Transfer from allowance for declining in value of property foreclosed	-	-	13,287	13,287
Bad debt written-off	(110,378)	(1,610,145)	-	(1,720,523)
Balance - end of year	<u>1,874,151</u>	<u>2,542,337</u>	<u>3,863</u>	<u>4,420,351</u>

3.6.3 Non-performing loans to customers of a subsidiary company operating banking business

(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

3.7 Classification of assets

3.7.1 Investments in companies with weak financial position and poor operating results of a subsidiary company operating banking business

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts ⁽¹⁾ as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2012	2011	2012	2011	2012	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.

3.7.2 Classification of assets under the Bank of Thailand's guidelines of a subsidiary company operating banking business.

As at 30 September 2012 and 31 December 2011, the quality of assets of a subsidiary company operating banking business 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	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2012	2011	2012	2011	2012	2011	2012	2011	2012	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 customer 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 statement of financial position).

3.7.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which a subsidiary company operating banking business sets aside provision using a collective approach

	(Unit: Million Baht)							
	Debt balance		Net amount used for set the		Percentage of allowance for doubtful		Allowance for doubtful accounts ⁽³⁾	
	as at		allowance for doubtful account ⁽¹⁾ as at		account set up ⁽²⁾ as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
2012	2011	2012	2011	2012	2011	2012	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 subsidiary company operating banking business 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.

3.7.4 Loans to customers includes debts due from companies with weak financial position and operating results of a subsidiary company operating banking business

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts		
	as at		as at		as at		as at		
	30	31	30	31	30	31	30	31	
	September	December	September	December	September	December	September	December	
2012	2011	2012	2011	2012	2011	2012	2011		
				Million Baht	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	

3.7.5 Classification of assets of the securities business of a local subsidiary in accordance with the Notification of the Office of the Securities and Exchange Commission

(Unit: Million Baht)

	Securities business receivables and accrued interest		Allowance for doubtful accounts as required by SEC		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2012	2011	2012	2011	2012	2011
Doubtful	1	1	1	1	1	1

3.7.6 Hire purchase receivables / financial lease receivables and other loan receivables of the other subsidiaries classified by the due date of the contracts

(Unit: Million Baht)

	Debt balance		Allowance for doubtful account		Debt balance - net	
	as at		as at		as at	
	30	31	30	31	30	31
	September	December	September	December	September	December
	2012	2011	2012	2011	2012	2011
Current	6,671	4,202	135	85	6,536	4,117
Overdue						
1 month	664	298	26	29	638	269
2 - 3 months	380	504	67	49	313	455
4 - 6 months	168	241	70	91	98	150
7 - 12 months	107	111	45	42	62	69
Over 12 months	30	25	12	10	18	15
Debtors under litigation	17	18	14	14	3	4
Total	8,037	5,399	369	320	7,668	5,079

(Unaudited but reviewed)

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Receivable from Clearing House	438,398	30,682	-	-
Value added tax - net	951,128	250,723	6,508	5,867
Accrued interest receivable	18,068	12,147	-	-
Fee and charges receivable	235,552	181,829	82,237	790
Refundable income tax	359,914	360,300	-	-
Deposits	41,951	38,324	4,080	4,080
Other receivables	466,148	294,965	-	54
Other assets	302,696	347,442	42,850	28,465
Total other assets	2,813,855	1,516,412	135,675	39,256

3.9 Deposits**3.9.1 Classified by type of deposits**

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 September 2012	31 December 2011
Deposits		
Current account	3,985,605	3,423,090
Savings account	26,352,153	17,082,939
Fixed account		
- 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 certificate of deposit	135,641,367	15,423,817
Total deposits	181,589,846	37,978,994

(Unaudited but reviewed)

3.9.2 Classified by the remaining period to maturity of deposits

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 September 2012	31 December 2011
Less than 1 year*	180,300,922	37,452,777
Over 1 year	1,288,924	526,217
Total deposits	181,589,846	37,978,994

* Including fully-mature deposit contract

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

3.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2012	31 December 2011	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	36,797,298	138,319,564	4,341,405	1,808,832
Promissory notes	797	1,034	-	-
Total	49,626,295	145,396,598	4,341,405	1,808,832

3.10.1 Subordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at (Units)		Face value per unit (Baht)	Balance in consolidated financial statements as at (Million Baht)		Maturity in the year	Interest rate
			30	31		30	31		
			September 2012	December 2011		September 2012	December 2011		
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.50 percent per annum in the first to third years, 6.00 percent per annum in the fourth to seventh years and 6.50 percent per annum in the eighth to tenth years.
2009	TISCO Bank	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 fourth to seventh years and 6.00 percent per annum in the eighth to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	5.00 percent per annum
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	4.80 percent per annum
2012	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	-	1,000	1,000	-	2022	4.85 percent per annum
Total						7,000	6,000		

3.10.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at (Units)		Face value per unit (Baht)	Balance in consolidated financial statements as at (Million Baht)		Maturity in the year	Interest rate
			30	31		30	31		
			September 2012	December 2011		September 2012	December 2011		
2007	TISCO Bank	Unsubordinated and unsecured long-term debentures	-	1 million	1,000	-	1,000	2012	4.04 percent per annum.
2011	TISCO Bank	Unsubordinated and unsecured long-term debentures	-	76,000	1,000	-	76	2012	3.40 percent per annum.
2012	TISCO Bank	Unsubordinated and unsecured short-term debentures	4,324,300	-	1,000	4,324	-	2013	3.50 percent per annum.
2012	TISCO Bank	Unsubordinated and unsecured short-term debentures	1 million	-	1,000	1,000	-	2013	3.50 percent per annum.
2012	TISCO Bank	Unsubordinated and unsecured short-term debentures	503,900	-	1,000	504	-	2013	3.50 percent per annum.
Total						5,828	1,076		

3.10.3 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.

3.11 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)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2012	2011	2012	2011
Balance - beginning of period	205,141	158,580	49,069	39,651
Current service cost	18,486	17,600	3,049	2,334
Interest cost	6,182	6,848	1,310	1,679
Benefit paid for the period	-	(1,445)	-	-
Adjustment on actuarial gains or losses	20,034	23,558	3,761	5,405
Balance - end of period	249,843	205,141	57,189	49,069

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2012	2011	2012	2011
Current service cost	5,907	4,108	18,486	12,324
Interest costs	2,061	1,627	6,182	4,880
Total employee benefit plan expenses	7,968	5,735	24,668	17,204

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2012	2011	2012	2011
Current service cost	1,016	773	3,049	1,386
Interest costs	437	400	1,310	1,199
Total employee benefit plan expenses	1,453	1,173	4,359	2,585

3.12 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Payable to Clearing Housing	1,355,453	284,430	-	-
Withholding income tax and other				
tax payable	74,975	349,513	9,194	44,278
Accrued insurance premium	647,923	400,555	-	-
Deferred income	533,915	497,524	-	-
Accrued expenses ⁽¹⁾	2,208,452	1,449,528	777,217	619,541
Other liabilities	901,499	525,782	60	12,439
Total other liabilities	5,722,217	3,557,332	786,471	676,258

⁽¹⁾ The above accrued expenses included accrued bonus expenses which are remuneration paid to the management and employees based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts on the Company's operation results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 30 September 2012, the Company and its subsidiaries have accrued of vested bonus under this scheme amounting to Baht 296 million (separate financial statement: Baht 172 million).

3.13 Capital funds

The primary objectives of the Group's capital management are to maintain its ability to continue as a going concern and to maintain capital adequacy ratio, cash liquidity and other in accordance with the regulations of Bank of Thailand or relevant regulatory agencies.

TISCO 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, TISCO Bank has allocated the additional reserve from classification as 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.

(Unaudited but reviewed)

Capital funds of TISCO 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

(Unit: %)

Capital ratios	As at			
	30 September 2012		31 December 2011	
	TISCO Bank	Requirement	TISCO 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. 6/2553 regarding "Consolidated Supervision" dated 18 June 2010, the Company has disclosed capital maintenance information of financial business group as at 30 June 2012 on its website on 31 October 2012.

3.14 Interest incomes

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Interbank and money market items	177,585	178,961	519,441	369,512
Investments in debt securities	48,019	54,232	129,787	182,172
Loans to customers	1,201,280	923,437	3,183,123	2,319,969
Hire purchase and financial lease income	2,512,891	2,155,174	7,137,623	6,162,554
Total interest income	3,939,775	3,311,804	10,969,974	9,034,207

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Interbank and money market items	3,846	3,173	14,056	12,104
Investments in debt securities	16,235	10,252	37,888	29,470
Total interest income	20,081	13,425	51,944	41,574

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Deposits	1,126,735	238,378	1,829,195	581,779
Interbank and money market items	125,989	90,008	396,101	220,727
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	495,111	1,116,707	2,768,477	2,398,713
Total interest expenses	2,117,035	1,570,389	5,853,029	3,585,808

⁽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 exchange, and other securities issuing by the 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.

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Borrowings	34,523	27,616	79,729	65,908
Total interest expenses	34,523	27,616	79,729	65,908

3.16 Fees and services 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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods 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	523,359	150,929	1,412,173	849,473
- Brokerage fees	205,406	190,492	555,325	545,959
- Fund management	201,213	138,318	513,427	414,036
- Financial advisory fees	6,100	7,750	28,500	25,916
- Others	178,494	285,943	543,453	488,449
Total fees and service income	<u>1,117,527</u>	<u>782,970</u>	<u>3,062,371</u>	<u>2,342,313</u>
Fees and service expenses				
- Information service expense	(17,081)	(19,554)	(54,691)	(49,500)
- Others	(40,721)	(35,271)	(113,318)	(113,056)
Total fees and service expense	<u>(57,802)</u>	<u>(54,825)</u>	<u>(168,009)</u>	<u>(162,556)</u>
Fees and service income - net	<u>1,059,725</u>	<u>728,145</u>	<u>2,894,362</u>	<u>2,179,757</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Fees and service income	-	-	-	-
Fees and service expenses				
- Others	(2,648)	(2,588)	(6,614)	(7,594)
Total fees and service expense	<u>(2,648)</u>	<u>(2,588)</u>	<u>(6,614)</u>	<u>(7,594)</u>
Fees and service income - net	<u>(2,648)</u>	<u>(2,588)</u>	<u>(6,614)</u>	<u>(7,594)</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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	4,106	9,036	(13,004)	22,495
- Derivatives on interest rates	7,345	40,616	33,951	7,657
- Debt securities	4,660	2,833	12,525	8,124
- Equity securities	22,832	(7,688)	26,128	(12,448)
- Others	(1)	(4)	1	(11)
Gain on cash flow hedges	-	-	100,761	-
Total	<u>38,942</u>	<u>44,793</u>	<u>160,362</u>	<u>25,817</u>

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Gains (losses) on disposal				
- Available-for-sale securities	36	(61)	1,208	55,500
- Held-to-maturity debt securities	74	31	442	157
- General investments	14,390	(9,904)	36,907	4,971
Total	<u>14,500</u>	<u>(9,934)</u>	<u>38,557</u>	<u>60,628</u>
Reversal from impairment				
- General investments	68,052	3,951	68,498	3,334
Total	<u>68,052</u>	<u>3,951</u>	<u>68,498</u>	<u>3,334</u>
Gains (losses) on investments	<u>82,552</u>	<u>(5,983)</u>	<u>107,055</u>	<u>63,962</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Losses on impairment				
- Investments in subsidiaries	-	-	(7)	(22)
Losses on investments	-	-	(7)	(22)

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Interbank and money market items	2,000	-	(8,000)	-
Held-to-maturity debt securities	1,810	(7,841)	2,451	(1,789)
Loans to customers	528,000	309,629	1,388,500	983,270
Total	531,810	301,788	1,382,951	981,481

3.20 Other operating income

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2012	2011	2012	2011
Gain on disposal of property foreclosed	11,273	17,635	41,638	55,085
Rental income	5,509	14,294	16,447	14,683
Others	16,891	14,643	36,010	46,986
Total	33,673	46,572	94,095	116,754

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2012	2011	2012	2011
Rental income	16,280	14,978	47,586	45,855
Others	311	272	877	961
Total	16,591	15,250	48,463	46,816

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)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2012	2011	2012	2011
Mailing expenses	11,135	12,137	37,536	36,887
Software amortisation expenses	19,696	31,893	58,122	83,430
Legal expenses	41,370	32,177	109,376	97,970
Transportation expenses	21,933	25,598	63,726	71,918
Others	116,046	78,590	293,940	218,331
Total	210,180	180,395	562,700	508,536

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2012	2011	2012	2011
Mailing expenses	21	15	278	288
Software amortisation expenses	6,381	15,388	18,706	42,530
Transportation expenses	2,171	1,594	6,038	4,572
Others	33,515	10,051	73,241	31,640
Total	42,088	27,048	98,263	79,030

3.22 Income tax expense

Income tax expense of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2012 and 2011 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	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	208,538	389,414	617,465	1,187,912
Adjustment in respect of current income tax of previous year	-	-	1,398	1,813
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	62,465	(18,985)	158,823	(108,288)
Income tax expense reported in statements of comprehensive income	271,003	370,429	777,686	1,081,437

	(Unit: Thousand Baht)			
	Separate financial statements			
	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	23,251	26,572	73,832	82,692
Adjustment in respect of current income tax of previous year	-	-	1,172	108
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	169	(2,236)	862	(6,315)
Income tax expense reported in statements of comprehensive income	23,420	24,336	75,866	76,485

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Other comprehensive income				
Gains (losses) on translation adjustment in foreign operations	(1,408)	551	(1,185)	1,525
Available-for-sale securities:				
Gains (losses) during the periods	116,060	(163,096)	150,781	(321,469)
Less: Reclassification adjustments for gains included in profit or loss	(36)	-	(1,208)	(55,500)
	116,024	(163,096)	149,573	(376,969)
Actuarial gain or losses arising from post-employment benefits	-	(23,545)	(20,034)	(23,545)
Cash flow hedges:				
Gains (losses) during the periods	56,352	62,350	(26,335)	63,768
Add: Reclassification adjustments for losses (gains) included in profit or losses	21	9,396	(91,376)	15,711
	56,373	71,746	(117,711)	79,479
Other comprehensive income	170,989	(114,344)	10,643	(319,510)
Income tax relating to components of other comprehensive income	(34,479)	34,468	(2,424)	94,694
Other comprehensive income for the periods - net	136,510	(79,876)	8,219	(224,816)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Other comprehensive income				
Actuarial gain or losses arising from post-employment benefits	-	(5,405)	(3,761)	(5,405)
Other comprehensive income	-	(5,405)	(3,761)	(5,405)
Income tax relating to components of other comprehensive income	-	1,621	752	1,621
Other comprehensive income for the periods - net	-	(3,784)	(3,009)	(3,784)

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	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	116,024	(23,205)	92,819	(163,096)	48,928	(114,168)
Actuarial gains or losses arising from post - employment benefits	-	-	-	(23,545)	7,064	(16,481)
Cash flow hedges	56,373	(11,274)	45,099	71,746	(21,524)	50,222
	<u>172,397</u>	<u>(34,479)</u>	<u>137,918</u>	<u>(114,895)</u>	<u>34,468</u>	<u>(80,427)</u>

(Unit: Thousand Baht)

	Consolidated financial statements					
	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	149,573	(29,914)	119,659	(376,969)	111,475	(265,494)
Actuarial gains or losses arising from post - employment benefits	(20,034)	3,947	(16,087)	(23,545)	7,064	(16,481)
Cash flow hedges	(117,711)	23,543	(94,168)	79,479	(23,845)	55,634
	<u>11,828</u>	<u>(2,424)</u>	<u>9,404</u>	<u>(321,035)</u>	<u>94,694</u>	<u>(226,341)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	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
Actuarial gains or losses arising from post - employment benefits	-	-	-	(5,405)	1,621	(3,784)
	-	-	-	(5,405)	1,621	(3,784)

(Unit: Thousand Baht)

	Separate financial statements					
	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
Actuarial gains or losses arising from post - employment benefits	(3,761)	752	(3,009)	(5,405)	1,621	(3,784)
	<u>(3,761)</u>	<u>752</u>	<u>(3,009)</u>	<u>(5,405)</u>	<u>1,621</u>	<u>(3,784)</u>

3.25 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (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.

	Consolidated financial statements			
	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 Company (Thousand Baht)	952,979	898,926	2,709,374
Weighted average number of shares (Thousand shares)	727,912	727,912	727,912	727,912
Earnings per share (Baht/share)	1.31	1.23	3.72	3.56

	Separate financial statements			
	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 Company (Thousand Baht)	76,702	744,236	245,825
Weighted average number of shares (Thousand shares)	727,912	727,912	727,912	727,912
Earnings per share (Baht/share)	0.11	1.02	0.34	1.24

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 31 December		As at 30 September	
	2011	Increase	Decrease	2012
<u>Outstanding balance</u>				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	169,446	1,204,406	(936,834)	437,018
Loans:				
Hi-Way Co., Ltd.	839,000	380,000	(263,000)	956,000
TISCO Leasing Co., Ltd.	105,000	1,460,000	-	1,565,000
Dividend receivable:				
TISCO Bank Public Company Limited	400,418	-	(400,418)	-
TISCO Securities Co., Ltd.	150,000	-	(150,000)	-
TISCO Asset Management Co., Ltd.	184,899	-	(184,899)	-
TISCO Tokyo Leasing Co., Ltd.	-	2,205	(2,205)	-
Other assets:				
TISCO Bank Public Company Limited	-	107,396	(25,980)	81,416
TISCO Securities Company Limited	-	7,297	(7,297)	-
TISCO Information Technology Co., Ltd.	-	4,412	(4,412)	-
TISCO Learning Center Co., Ltd.	771	1,292	(1,335)	728
Borrowings:				
TISCO Information Technology Co., Ltd.	-	80,000	(10,000)	70,000
Interest payable:				
TISCO Information Technology Co., Ltd.	-	476	(6)	470
Other liabilities:				
TISCO Bank Public Company Limited	54,955	-	(54,955)	-
TISCO Securities Co., Ltd.	7,036	-	(7,036)	-
TISCO Information Technology Co., Ltd.	23,823	-	(23,823)	-
TISCO Learning Center Co., Ltd.	178	828	(819)	187

(Unaudited but reviewed)

	Separate financial statements				(Unit: Thousand Baht)
	For the three-month periods ended		For the nine-month periods ended		Terms and pricing policy (For the period 2012)
	30 September		30 September		
	2012	2011	2012	2011	
Transactions occurred during the periods					
(Eliminated in consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	395,813	343,277	1,141,053	1,086,014	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	19,978	13,366	51,739	41,449	With reference to the terms and prices as offered to other customers
Rental income	16,030	14,748	46,872	43,363	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	40,000	34,250	120,000	102,750	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	696	795	1,172	5,191	With reference to the terms and prices as offered to other customers
Training expenses	1,358	452	2,507	1,870	With reference to the prices as offered from other service provider

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2012	31 December 2011
Loans ⁽¹⁾	22,890	23,189

⁽¹⁾ Including the employee welfare loan and normal loan

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2012	31 December 2011
Deposits	143,956	115,178
Debt issued and borrowings	7,228	66,930

Directors and management's remuneration

During the three-month and nine-month periods ended 30 September 2012 and 2011, the Company and its subsidiaries paid benefit remuneration to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Short-term benefit	54	51	184	145
Post-employment benefit	1	1	4	3
Total	55	52	188	148

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2012	2011	2012	2011
Short-term benefit	34	31	129	92
Post-employment benefit	1	1	2	2
Total	35	32	131	94

3.27 Financial information by segment

3.27.1 Financial position and results of operations classified by domestic and foreign operations, are as follow:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 September 2012			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	291,687	47	(18,926)	272,808
Interbank and money market items (assets)	36,711	47	(1,140)	35,618
Investments - net	5,008	-	-	5,008
Loans to customers and accrued interest receivables - net	226,219	-	(2,591)	223,628
Deposits	182,219	-	(629)	181,590
Interbank and money market items (liabilities)	14,047	-	(511)	13,536
Debt issued and borrowings	52,217	-	(2,591)	49,626

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2011				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Total assets	237,814	57	(17,153)	220,718
Interbank and money market items (assets)	30,957	56	(291)	30,722
Investments - net	3,706	-	-	3,706
Loans to customers and accrued interest				
receivables - net	181,796	-	(944)	180,852
Deposits	38,060	-	(81)	37,979
Interbank and money market items (liabilities)	14,490	-	(11)	14,479
Debt issued and borrowings	146,540	-	(1,143)	145,397

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 September 2012				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	3,962	-	(22)	3,940
Interest expenses	(2,139)	-	22	(2,117)
Interest income - net	1,823	-	-	1,823
Net fee and service income	1,177	-	(117)	1,060
Other operating income	1,055	-	(411)	644
Total operating income	4,055	-	(528)	3,527
Other operating expenses	(2,294)	-	531	(1,763)
Bad debt, doubtful accounts and impairment				
losses	(532)	-	-	(532)
Income tax expense	(271)	-	-	(271)
Non-controlling interest	-	-	(8)	(8)
Profit equity holders of the Company	958	-	(5)	953

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2012				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	11,027	-	(57)	10,970
Interest expenses	(5,910)	-	57	(5,853)
Interest income - net	5,117	-	-	5,117
Net fee and service income	3,229	-	(335)	2,894
Other operating income	2,700	-	(1,189)	1,511
Total operating income	11,046	-	(1,524)	9,522
Other operating expenses	(6,159)	(1)	1,528	(4,632)
Bad debt, doubtful accounts and impairment losses	(1,383)	-	-	(1,383)
Income tax expense	(778)	-	-	(778)
Non-controlling interest	-	-	(20)	(20)
Profit equity holders of the Company	2,726	(1)	(16)	2,709

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 September 2011				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	3,329	-	(17)	3,312
Interest expenses	(1,587)	-	17	(1,570)
Interest income - net	1,742	-	-	1,742
Net fee and service income	825	-	(97)	728
Other operating income	1,392	-	(1,028)	364
Total operating income	3,959	-	(1,125)	2,834
Other operating expenses	(1,714)	(1)	457	(1,258)
Bad debt, doubtful accounts and impairment losses	(302)	-	-	(302)
Income tax expense	(370)	-	-	(370)
Non-controlling interest	-	-	(5)	(5)
Profit equity holders of the Company	1,573	(1)	(673)	899

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2011				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	9,087	-	(53)	9,034
Interest expenses	(3,638)	-	52	(3,586)
Interest income - net	5,449	-	(1)	5,448
Net fee and service income	2,471	-	(291)	2,180
Other operating income	2,744	-	(1,866)	878
Total operating income	10,664	-	(2,158)	8,506
Other operating expenses	(5,265)	(4)	1,430	(3,839)
Bad debt, doubtful accounts and impairment losses	(982)	-	1	(981)
Income tax expense	(1,081)	-	-	(1,081)
Non-controlling interest	-	-	(14)	(14)
Profit equity holders of the Company	3,336	(4)	(741)	2,591

3.27.2 Financial positions and results of operation classified by business type

(Unit: Million Baht)

As at										
	Bank business/financial service business		Securities business		Other business		Elimination		Total	
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Total assets	266,909	216,947	5,590	2,900	19,235	18,024	(18,926)	(17,153)	272,808	220,718
Interbank and money market items (assets)	35,469	30,080	803	705	486	228	(1,140)	(291)	35,618	30,722
Investment - net	3,778	2,596	1,230	1,109	-	1	-	-	5,008	3,706
Loans to customers and accrued interest receivable - net	223,628	180,852	-	-	2,591	944	(2,591)	(944)	223,628	180,852
Deposits	182,219	38,060	-	-	-	-	(629)	(81)	181,590	37,979
Interbank and money market items (liabilities)	13,981	14,490	66	-	-	-	(511)	(11)	13,536	14,479
Debt issued and borrowings	47,876	144,731	-	-	4,341	1,809	(2,591)	(1,143)	49,626	145,397

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Interest income	3,922	3,299	18	16	22	14	(22)	(17)	3,940	3,312
Interest expenses	(2,094)	(1,552)	(10)	(7)	(35)	(28)	22	17	(2,117)	(1,570)
Interest income - net	1,828	1,747	8	9	(13)	(14)	-	-	1,823	1,742
Net fee and service expenses	658	402	411	329	108	94	(117)	(97)	1,060	728
Other operating income	611	359	32	5	412	1,028	(411)	(1,028)	644	364
Total operating income	3,097	2,508	451	343	507	1,108	(528)	(1,125)	3,527	2,834
Other operating expenses	(1,656)	(1,160)	(245)	(222)	(393)	(334)	531	458	(1,763)	(1,258)
Bad debt, doubtful accounts and impairment losses	(532)	(302)	-	-	-	-	-	-	(532)	(302)
Income tax expense	(199)	(310)	(47)	(35)	(25)	(25)	-	-	(271)	(370)
Non-controlling interest	-	-	-	-	-	-	(8)	(5)	(8)	(5)
Profit equity holders of the Company	710	736	159	86	89	749	(5)	(672)	953	899

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Bank business/financial									
	service business		Securities business		Other business		Elimination		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Interest income	10,919	9,003	53	40	55	44	(57)	(53)	10,970	9,034
Interest expenses	(5,801)	(3,556)	(29)	(16)	(80)	(66)	57	52	(5,853)	(3,586)
Interest income - net	5,118	5,447	24	24	(25)	(22)	-	(1)	5,117	5,448
Net fee and service expenses	1,816	1,189	1,098	999	315	283	(335)	(291)	2,894	2,180
Other operating income	1,452	867	56	72	1,192	1,805	(1,189)	(1,866)	1,511	878
Total operating income	8,386	7,503	1,178	1,095	1,482	2,066	(1,524)	(2,158)	9,522	8,506
Other operating expenses	(4,315)	(3,481)	(718)	(726)	(1,127)	(1,062)	1,528	1,430	(4,632)	(3,839)
Bad debt, doubtful accounts and impairment losses	(1,383)	(982)	-	-	-	-	-	1	(1,383)	(981)
Income tax expense	(592)	(892)	(104)	(108)	(82)	(81)	-	-	(778)	(1,081)
Non-controlling interest	-	-	-	-	-	-	(20)	(14)	(20)	(14)
Profit equity holders of the Company	2,096	2,148	356	261	273	923	(16)	(741)	2,709	2,591

3.28 Commitments and contingent liabilities

3.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements
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	4,468,989	6,054,500
Cross currency swap agreements	3,796,367	8,151,340
	<u>9,189,033</u>	<u>18,689,232</u>

3.28.2 Litigation

As at 30 September 2012, the subsidiary 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 Company and its subsidiaries believe that no material losses to the consolidated 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 subsidiary company operating banking business 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 subsidiary companies have entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally between 3 and 10 years.

(Unaudited but reviewed)

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	103
1 to 5 years	117

4. Dividend payment

	<u>Approved by</u>	<u>Dividend per share</u>		<u>Amounts of</u>	<u>Dividend</u>
		<u>Preference share</u>	<u>Ordinary share</u>	<u>dividend paid</u>	<u>payment period</u>
		(Baht per share)	(Baht per share)	(Million Baht)	
Annual dividends for 2010	The 2011 Annual General Meeting of the Shareholders on 21 April 2011	2.25	2.25	1,638	May 2011
Total dividend payment in year 2011				<u>1,638</u>	
Annual dividends for 2011	The 2012 Annual General Meeting of the Shareholders on 26 April 2012	2.35	2.35	1,711	May 2012
Total dividend payment in year 2012				<u>1,711</u>	

5. Approval of interim financial statements

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