

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month period ended
31 March 2013

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 31 March 2013, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period. 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 review.

Scope of Review

I conducted my review 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 review, 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*.



Ratana Jala
Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 10 May 2013

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	1,014,622	1,046,330	70	50
Interbank and money market items - net	41,625,205	31,196,279	1,124,388	565,984
Derivatives assets	3.2 70,684	41,863	-	-
Investments - net	3.3, 3.7 6,703,450	7,015,518	743,124	812,737
Investments in subsidiaries - net	3.4 -	-	15,022,894	15,021,895
Loans to customers and accrued interest receivables	3.5, 3.7			
Loans to customers	294,060,096	273,311,973	4,621,000	3,841,000
Accrued interest receivable	351,386	352,769	-	-
Total loans to customers and accrued interest receivables	294,411,482	273,664,742	4,621,000	3,841,000
Less: Deferred revenue	(27,275,080)	(24,996,296)	-	-
Less: Allowance for doubtful accounts	3.6 (5,684,975)	(5,121,518)	-	-
Less: Allowance for loss on debt restructuring	(3)	(3)	-	-
Loans to customers and accrued interest receivables - net	261,451,424	243,546,925	4,621,000	3,841,000
Property foreclosed - net	111,739	272,533	-	-
Investment properties	149	304	359,924	363,191
Premises and equipment - net	1,347,341	1,384,381	351,526	365,160
Intangible assets - net	116,654	126,709	42,226	45,208
Deferred tax assets	311,907	306,126	191,959	191,381
Securities and derivatives business receivables - net	3,210,275	2,223,792	-	-
Dividend receivable from subsidiaries	-	-	597,203	1,832,654
Other assets	3.8 3,051,853	3,336,175	150,296	126,988
Total assets	319,015,303	290,496,935	23,204,610	23,166,248

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	248,914,441	219,823,339	-	-
Interbank and money market items - net		16,454,848	13,970,608	-	200,000
Liability payable on demand		802,122	652,310	-	-
Payable under securities borrowing and lending business		-	163	-	-
Derivatives liabilities	3.2	825	747	-	-
Debts issued and borrowings	3.10	21,915,584	27,877,250	6,395,804	6,311,631
Provision for long-term employee benefits	3.11	328,204	324,357	72,127	71,086
Deferred tax liabilities		125,524	158,583	-	-
Securities and derivatives business payables		2,182,851	1,523,645	-	-
Accrued interest payable		1,948,936	1,773,793	45,443	31,087
Income tax payable		678,900	428,307	59,637	66,129
Other liabilities	3.12	6,132,147	5,583,583	858,428	744,487
Total liabilities		299,484,382	272,116,685	7,431,439	7,424,420

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	31 March 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Shareholders' equity				
Share capital				
Registered				
	372,287,914 preference shares of Baht 10 each	3,722,879	3,722,879	3,722,879
	727,912,086 ordinary shares of Baht 10 each	7,279,121	7,279,121	7,279,121
		11,002,000	11,002,000	11,002,000
Issued and fully paid-up				
	33,858 preference shares of Baht 10 each	339	339	339
	727,878,228 ordinary shares of Baht 10 each	7,278,782	7,278,782	7,278,782
		7,279,121	7,279,121	7,279,121
Share premium				
	Share premium on preference shares	-	298	298
	Share premium on ordinary shares	-	6,012,817	6,012,817
		-	6,013,115	6,013,115
	Other components of shareholders' equity	993,642	1,040,375	(16,234)
	Retained earnings			
	Appropriated-statutory reserve	405,200	405,200	405,200
	Unappropriated	10,625,168	9,471,665	2,091,969
	Equity attributable to owners of the Company	19,303,131	18,196,361	15,773,171
	Non-controlling interest of the subsidiaries	227,790	183,889	-
	Total shareholders' equity	19,530,921	18,380,250	15,773,171
	Total liabilities and shareholders' equity	319,015,303	290,496,935	23,204,610

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**Statement of comprehensive income****For the three-month period ended 31 March 2013**

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Interest income	3.14	4,466,965	3,413,386	42,012	13,248
Interest expenses	3.15	(2,363,617)	(1,847,774)	(51,007)	-18,516
Net interest income		2,103,348	1,565,612	(8,995)	(5,268)
Fees and service income		1,639,192	970,778	-	-
Fees and service expenses		(66,305)	(59,843)	(2,287)	(2,020)
Net fees and service income	3.16	1,572,887	910,935	(2,287)	(2,020)
Net losses on trading and foreign exchange transactions	3.17	(35,408)	(24,851)	(34,857)	-
Net gains (losses) on investments	3.18	166,077	10,568	-	(5)
Dividend income		34,265	32,031	2,205	2,205
Penalty fee income from loans		66,389	65,307	-	-
Income from business promotion relating to the hire purchase business		334,594	211,163	-	-
Intercompany supporting fee income	3.26	-	-	431,467	377,507
Other operating income	3.20, 3.26	13,060	28,330	16,690	15,006
Total operating income		4,255,212	2,799,095	404,223	387,425
Expenses from business promotion relating to the hire purchase business		390,527	296,261	-	-
Total net operating income		3,864,685	2,502,834	404,223	387,425
Other operating expenses					
Employee's expenses		996,704	696,091	229,800	157,320
Directors' remuneration		3,310	3,575	3,070	3,335
Premises and equipment expenses		228,645	207,120	83,521	77,668
Taxes and duties		49,115	63,102	4	1,441
Other operating expenses	3.21	170,871	181,989	15,103	35,947
Total other operating expenses		1,448,645	1,151,877	331,498	275,711
Bad debt, doubtful accounts and impairment loss	3.19	940,091	259,807	-	-
Profit from operating before income tax expenses		1,475,949	1,091,150	72,725	111,714
Income tax expenses	3.22	284,427	248,166	13,577	25,654
Profit for the period		1,191,522	842,984	59,148	86,060

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 31 March 2013**

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

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Other comprehensive income	3.23				
Losses arising from translating the financial statements of a foreign operation		(1,953)	(1,229)	-	-
Investment in available-for-sale securities		(61,998)	93,262	(34,756)	-
Cash flow hedges		25,002	(51,063)	-	-
Income tax effect	3.24	2,417	(8,439)	6,951	-
Other comprehensive income for the period		(36,532)	32,531	(27,805)	-
Total comprehensive income for the period		1,154,990	875,515	31,343	86,060
Profit attributable to:					
Equity holders of the Company	3.25	1,153,503	836,660	59,148	86,060
Non-controlling interests of the subsidiaries		38,019	6,324		
		1,191,522	842,984		
Total comprehensive income attributable to:					
Equity holders of the Company		1,106,770	881,480	31,343	86,060
Non-controlling interests of the subsidiaries		48,220	(5,965)		
		1,154,990	875,515		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	1.58	1.15	0.08	0.12

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before income tax	1,475,949	1,091,150	72,725	111,714
Adjustments to reconcile income before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	72,472	78,394	24,244	24,924
Bad debts and doubtful accounts	1,156,493	450,464	-	-
Allowance for impairment of investments (reversal)	93	(2,510)	-	5
Allowance for impairment of property foreclosed	72	81	-	-
Gain on disposal of investments	(166,077)	(9,251)	-	-
Unrealised loss on trading and foreign exchange transactions	37,492	29,294	34,857	-
Gain on disposal of equipment	(638)	(1,566)	-	-
Loss from written-off of property and equipment	16,922	-	25	-
Unrealised loss (gain) from trading securities	3	(1,281)	-	-
Loss (gain) on disposal of property foreclosed	10,697	(13,474)	-	-
Provision for long-term employee benefits	10,298	7,244	1,723	1,428
Decrease (increase) in other accrued income	35,758	(8,417)	(10,256)	(104,594)
Increase (decrease) in accrued expenses	(65,579)	110,695	113,918	(46,470)
Net interest income	(2,103,348)	(1,565,612)	8,995	5,268
Dividend income	(34,265)	(32,031)	(2,205)	(2,205)
Cash received on interest income	4,417,497	3,424,727	41,131	12,896
Cash paid on interest expenses	(2,188,474)	(1,062,241)	(36,651)	(7,837)
Cash received on dividend income	26,365	32,031	1,237,655	402,623
Income tax paid	(76,737)	(38,913)	(13,696)	(8,541)
Profit from operating activities before changes in operating assets and liabilities	2,624,993	2,488,784	1,472,465	389,211
Operating assets (increase) decrease				
Interbank and money market items	(10,403,072)	(177,078)	(558,404)	(397,879)
Loans to customers	(19,870,405)	(9,863,867)	(780,000)	(183,000)
Securities and derivative business receivables	(986,483)	(1,500,366)	-	-
Properties foreclosed	877,314	(40,838)	-	-
Other assets	634,695	187,422	(12,170)	(21,777)
Operating liabilities increase (decrease)				
Deposits	29,091,103	3,717,311	-	-
Interbank and money market items	2,152,330	863,031	(200,000)	-
Liability payable on demand	149,812	(6,966)	-	-
Securities and derivative business payables	659,206	713,427	-	-
Short-term debts issued and borrowings	(635,366)	(2,766,576)	84,173	257,129
Other liabilities	664,850	250,191	(658)	(12,350)
Net cash flows from (used in) operating activities	4,958,977	(6,135,525)	5,406	31,334

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(2,694,795)	(2,062,835)	-	-
Cash received from disposal of investment in securities held for investment	3,073,891	903,300	-	-
Cash paid for purchase of equipment	(44,151)	(45,236)	(1,283)	(29,396)
Cash paid for purchase of intangible assets	(6,158)	(7,572)	(3,103)	(1,938)
Cash received from disposal of equipment	8,781	720	-	-
Cash paid for acquisition of a subsidiaries	-	-	(1,000)	-
Net cash flows from (used in) investing activities	337,568	(1,211,623)	(5,386)	(31,334)
Cash flows from financing activities				
Long-term debts issued and borrowings	(2,000)	988,700	-	-
Cash received from issuance of long-term debentures	-	6,324,300	-	-
Cash paid for the redemption of long-term debentures	(5,324,300)	-	-	-
Net cash flows from (used in) financing activities	(5,326,300)	7,313,000	-	-
Translation adjustment	(1,953)	1,229	-	-
Net increase (decrease) in cash	(31,708)	(32,919)	20	-
Cash at beginning of period	1,046,330	903,450	50	50
Cash at end of period	1,014,622	870,531	70	50
	-	-	-	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of shareholders' equity												
	Issued and fully paid-up		Other comprehensive income			Adjustment from	Total other components of shareholders' equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
	Preference shares	Ordinary shares	investments	Cash flow hedges	Exchange differences on translation of financial statements in foreign currency	business combination of entities under common control under holding restructuring plan		Appropriated	Unappropriated			
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
Total comprehensive income for the period	-	-	74,609	(28,560)	(1,229)	-	44,820	-	836,660	881,480	(5,965)	875,515
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(917)	(917)
Balance as at 31 March 2012	339	7,278,782	213,744	68,814	82,033	679,266	1,043,857	297,900	8,471,049	17,091,927	94,263	17,186,190
Balance as at 1 January 2013	339	7,278,782	278,407	907	81,795	679,266	1,040,375	405,200	9,471,665	18,196,361	183,889	18,380,250
Total comprehensive income for the period	-	-	(54,581)	9,801	(1,953)	-	(46,733)	-	1,153,503	1,106,770	48,220	1,154,990
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
Balance as at 31 March 2013	339	7,278,782	223,826	10,708	79,842	679,266	993,642	405,200	10,625,168	19,303,131	227,790	19,530,921

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Separate financial statements								
	Issued and fully paid-up		Share premium		Other components of shareholders' equity	Other comprehensive income	Surplus (deficit) on change in value of available-for-sale	Retained earnings	Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares					
Balance as at 1 January 2012	339	7,278,782	298	6,012,817	-	297,900	1,715,391	15,305,527	
Total comprehensive income for the period	-	-	-	-	-	-	86,060	86,060	
Balance as at 31 March 2012	<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>-</u>	<u>297,900</u>	<u>1,801,451</u>	<u>15,391,587</u>	
Balance as at 1 January 2013	339	7,278,782	298	6,012,817	11,571	405,200	2,032,821	15,741,828	
Total comprehensive income for the period	-	-	-	-	(27,805)	-	59,148	31,343	
Balance as at 31 March 2013	<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>(16,234)</u>	<u>405,200</u>	<u>2,091,969</u>	<u>15,773,171</u>	

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2013

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

1.1 Basis of preparation of interim financial statements

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) and their presentation have been made in compliance 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.

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 financial statements.

1.2 Basis of consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2012. During the period, there was the following change in the composition of the subsidiary.

In February 2013, the Company invested in 9,997 ordinary shares of T Troop Company Limited at a price of Baht 100 per share, for a total of Baht 1 million. The Company holds 99.99 percent of shares. Such company registered its incorporations with the Ministry of Commerce on 15 February 2013. In March 2013, T Troop Company Limited registered the change in the company’s name to “All-Ways Company Limited” (as referred to in Note 4 to the financial statements).

1.3 Application of new accounting standards during the period

The Federation of Accounting Professions has issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance, all of which are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements The Company and its subsidiaries early adopted Thai Accounting Standard No. 12 regarding Income Tax before the effective date.

1.4 New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications which have been published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014

		<u>Effective date</u>
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economics	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiaries have assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries, except TFRIC 4, TFRIC 10 and TFRIC 13, which will not have any significant impact on the financial statements for the year when they are initially applied.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2012.

2. General information

2.1 The Company's information

TISCO Financial Group Public Company Limited (“the Company”) was incorporated as a holding company. The Company is the parent company of TISCO Group. 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.

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 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2013 and 31 December 2012 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			31 March 2013	31 December 2012
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.98	99.98
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Tokyo Leasing Co., Ltd.	Leasing	Thailand	49.00	49.00
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (in the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	-
<u>Subsidiaries indirectly held by the Company</u>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00
TISCO Securities Hong Kong Limited (in the process of liquidation)	Securities business	China-Hongkong	100.00	100.00

3.2 Derivatives

3.2.1 Trading derivative

The subsidiary company 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)

Type of risk	Consolidated financial statements as at					
	31 March 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	47,512	-	2,930,845	14,882	-	3,063,160
Interest rate	23,172	-	3,032,000	26,981	-	3,032,000
Total	70,684	-	5,962,845	41,863	-	6,095,160

All counter parties of these derivative transactions are financial institutions.

3.2.2 Hedging derivatives

The subsidiary operating leasing business entered into cross currency swap agreements to manage the risk associated with its borrowings, as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	31 March 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	825	565,328	-	747	639,410
Total	-	825	565,328	-	747	639,410

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	
	31 March 2013	31 December 2012
Trading securities - fair value		
Domestic marketable equity securities	-	23
Add: Allowance for changes in value	-	-
Total trading securities	-	23
Available-for-sales securities - fair value		
Government and state enterprise securities	4,064,301	4,136,424
Debt securities of private sector	171,460	171,460
Domestic marketable equity securities	596,652	809,401
Other securities - domestic unit trusts	25,281	25,281
Other securities - foreign unit trusts	763,416	798,273
Add: Allowance for changes in value	376,743	413,829
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sales securities	5,996,393	6,353,208
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	150,956	49,929
Investment in receivables	130,679	186,847
Less: Allowance for impairment	(20,890)	(20,801)
Total held-to-maturity debt securities	260,745	215,975
Other investments - cost		
Domestic non-marketable equity securities	494,053	494,053
Less: Allowance for impairment	(47,741)	(47,741)
Total other investments	446,312	446,312
Investments - net	6,703,450	7,015,518

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2013	31 December 2012
Available-for-sales securities - fair value		
Other securities - foreign unit trusts	763,416	798,273
Add: Allowance for changes in value	(20,292)	14,464
Investments - net	743,124	812,737

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial statements as at							
	31 March 2013				31 December 2012			
	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	4,061	3	-	4,064	4,133	3	-	4,136
Debt securities of private								
sector	172	-	-	172	142	30	-	172
Total	4,233	3	-	4,236	4,275	33	-	4,308
Add: Allowance for changes								
in value	3	-	-	3	4	-	-	4
Less: Allowance for								
impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,235	3	-	4,238	4,278	33	-	4,311
Held-to-maturity debt securities								
Government and state								
enterprise securities	151	-	-	151	50	-	-	50
Investment in receivables	106	24	-	130	129	58	-	187
Less: Allowance for								
impairment	(16)	(5)	-	(21)	(16)	(5)	-	(21)
Total	241	19	-	260	163	53	-	216
Total debt securities	4,476	22	-	4,498	4,441	86	-	4,527

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restriction
	31 March 2013	31 December 2012	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	300	-	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 31 March 2013		
	Cost	Fair value	Allowance for changes in 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 2012		
	Cost	Fair value	Allowance for changes in 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 hold not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	31 March 2013			31 December 2012		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
Services:						
TISCO Securities Hong Kong Limited (In the process of liquidation)	41,975	-	100	43,956	-	100
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K Line (Thailand) Ltd.	37,335	-	10	37,335	-	10
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	5,377	-	10	5,377	-	10
PDTL Trading Co., Ltd.	8,316	-	10	8,316	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	5,697	-	10	5,697	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	16,940	-	10	16,940	-	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 three-month periods ended	
		31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 March 2012
				(%)	(%)				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.98	99.98	13,294	13,294	-	-
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 and retail loan	Preference shares	Preference shares	99.45	99.45	3	3	-	-
		Ordinary shares	Ordinary shares	0.55	0.55	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	-	-
All-Ways Co., Ltd.	Services	Ordinary shares	-	99.99	-	1	-	-	-
						15,132	15,131	2	2
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						15,023	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	
	31 March 2013	31 December 2012
Loans to customers		
Loans	69,897,542	66,608,275
Hire purchase receivables	217,672,596	201,220,750
Financial lease receivables	7,115,369	6,020,564
Less: Deferred revenue	(27,275,080)	(24,996,296)
Advances received from financial lease receivables	(625,411)	(537,616)
Total loans to customers	266,785,016	248,315,677
Add: Accrued interest receivable	351,386	352,769
Less: Allowance for doubtful accounts	(5,684,975)	(5,121,518)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivable - net	261,451,424	243,546,925

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

as at

	31 March 2013	31 December 2012
Loans to customers		
Loans	4,621,000	3,841,000
Add: Accrued interest receivable	-	-
Loans to customers and accrued interest receivable - net	<u>4,621,000</u>	<u>3,841,000</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

Consolidated financial statements as at

	31 March 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	263,854,166	-	263,854,166	245,252,517	-	245,252,517
US Dollars	-	2,930,850	2,930,850	-	3,063,160	3,063,160
Total loans to customers net of deferred revenue	<u>263,854,166</u>	<u>2,930,850</u>	<u>266,785,016</u>	<u>245,252,517</u>	<u>3,063,160</u>	<u>248,315,677</u>

(Unit: Thousand Baht)

Separate financial statements as at

	31 March 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	4,621,000	-	4,621,000	3,841,000	-	3,841,000
Total loans to customers net of deferred revenue	<u>4,621,000</u>	<u>-</u>	<u>4,621,000</u>	<u>3,841,000</u>	<u>-</u>	<u>3,841,000</u>

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

(Unit: Million Baht)

	As at					
	31 March 2013			31 December 2012		
	Net amount		Allowance for doubtful accounts ^{(1) (2)}	Net amount		Allowance for doubtful accounts ^{(1) (2)}
Loans to customers and accrued interest receivable	used for setting the allowance for doubtful accounts	Loans to customers and accrued interest receivable		used for setting the allowance for doubtful accounts		
Provision under BOT's guideline						
- Pass	240,365	223,745	2,817	224,020	204,454	2,752
- Special mention	12,448	12,265	943	12,195	11,873	1,024
- Sub-standard	1,899	1,885	567	1,861	1,845	556
- Doubtful	667	659	188	488	477	136
- Doubtful of loss	423	202	211	425	193	216
Allowance established in excess	-	-	492	-	-	4
Total	255,802	238,756	5,218	238,989	218,842	4,688

⁽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 31 March 2013, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor 31/2551 minimum requirement by a total of Baht 2,381 million (As at 31 December 2012: total of Baht 2,045 million). TISCO Bank allocated Baht 1,889 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2012: total of Baht 2,041 million) and so combined with the minimum provision requirement of Baht 2,837 million (As at 31 December 2012: total of Baht 2,643 million), the total provision set aside in accordance with BOT requirements is Baht 4,726 million (As at 31 December 2012: total of Baht 4,684 million).

	Percentage of allowance for doubtful accounts set up			
	Hire purchase receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Pass	0.73	0.77	1	1
Special mention	6.19	6.56	2	2
Sub-standard	23.95	24.24	100	100
Doubtful	24.80	24.65	100	100
Doubtful of loss	22.13	21.90	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 31 March 2013, net receivables of the subsidiaries under hire purchase and financial lease agreements amount to Baht 197,086 million (31 December 2012: Baht 181,900 million) and mostly comprise hire purchase agreements for cars, machines 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 31 March 2013					
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	65,940	147,055	7,470	4,323	224,788
Less: Deferred revenue*	(10,664)	(15,087)	184	(1,510)	(27,077)
Advances received from financial lease receivables	(33)	(591)	-	(1)	(625)
Present value of minimum lease pay from agreements	55,243	131,377	7,654	2,812	197,086
Allowance for doubtful accounts**					(2,991)
Net hire purchase and financial lease receivables					194,095

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

** These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning the provisions in exceed of BOT's minimum requirement to specific provisions for an individual debtor.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 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	61,807	134,904	6,579	3,951	207,241
Less: Deferred revenue*	(9,833)	(13,650)	110	(1,430)	(24,803)
Advances received from financial lease receivables	(30)	(505)	(2)	(1)	(538)
Present value of minimum lease pay from agreements	51,944	120,749	6,687	2,520	181,900
Allowance for doubtful accounts**					(2,915)
Net hire purchase and financial lease receivables					178,985

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

** These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning the provisions in exceed of BOT's minimum requirement to specific provisions 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	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	3,518	3,441	3,764	3,454

⁽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	
	31 March 2013	31 December 2012
Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	413	333

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	
	31 March 2013	31 December 2012
Deferred revenue ⁽¹⁾	27,275	24,996

⁽¹⁾ These amounts included deferred revenue of hire purchase and finance lease contracts which is 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 three-month periods ended	
	31 March	
	2013	2012
Debtors restructured during the periods		
Number of debtors restructured by modification of terms (number)	28	48
Loan balances before restructuring (Million Baht)	10	58
Loan balances after restructuring (Million Baht)	9	58
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (periods)		
Hire purchase receivables	4	4
Mortgage loan receivables	1	3
Corporate loan receivables	-	5

Supplemental information for the three-month periods ended 31 March 2013 and 2012 relating to the restructured debts is as follows:

	(Unit: Million Baht)	
	For the three-month periods ended	
	31 March	
	2013	2012
Interest income on restructured receivables	11	14
Receipt of principal and interest	62	94

As at 31 March 2013 and 31 December 2012, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

	(Unit: Million Baht)			
	As at			
	31 March 2013		31 December 2012	
	Number of debts	Outstanding balance	Number of debts	Outstanding balance
The balance of the restructured debts	1,063	692	1,135	735

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 31 March 2013							
	Pass	Special mention	Sub-Standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	2,948,779	1,112,046	631,044	177,401	248,808	3,440	5,121,518
Increase (decrease) in allowance for doubtful accounts during the period	63,544	(63,316)	147,228	477,237	18,436	488,365	1,131,494
Bad debt written-off	(153)	(7,956)	(107,008)	(419,861)	(33,059)	-	(568,037)
Balance - end of period	<u>3,012,170</u>	<u>1,040,774</u>	<u>671,264</u>	<u>234,777</u>	<u>234,185</u>	<u>491,805</u>	<u>5,684,975</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2012							
	Pass	Special mention	Sub-Standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	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 year	(443,520)	892,124	708,783	1,469,707	135,095	(10,058)	2,752,131
Transfer from allowance for declining in value of properties foreclosed	-	-	-	-	-	9,635	9,635
Bad debt written-off	(1,270)	(17,394)	(547,422)	(1,388,260)	(106,253)	-	(2,060,599)
Balance - end of year	<u>2,948,779</u>	<u>1,112,046</u>	<u>631,044</u>	<u>177,401</u>	<u>248,808</u>	<u>3,440</u>	<u>5,121,518</u>

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

(Unit: Thousand Baht)

Consolidated financial statements as at 31 March 2013				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	2,255,585	2,862,493	3,440	5,121,518
Increase (decrease) in allowance for doubtful accounts during the period	(7,116)	650,245	488,365	1,131,494
Bad debt written-off	(44,151)	(523,886)	-	(568,037)
Balance - end of period	<u>2,204,318</u>	<u>2,988,852</u>	<u>491,805</u>	<u>5,684,975</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2012

	Individual impairment	Collective impairment	Allowance	Total
			established in excess	
Balance - beginning of year	1,874,151	2,542,337	3,863	4,420,351
Increase (decrease) in allowance for doubtful accounts during the year	490,531	2,271,658	(10,058)	2,752,131
Transfer from allowance for declining in value of properties foreclosed	-	-	9,635	9,635
Bad debt written-off	(109,097)	(1,951,502)	-	(2,060,599)
Balance - end of year	2,255,585	2,862,493	3,440	5,121,518

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

(Unit: Million Baht)

	As at	
	31 March 2013	31 December 2012
Non-performing loans to customers	2,989	2,774
Allowance for doubtful accounts	966	908

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		Fair value		Allowance for possible loss provided in the accounts ⁽¹⁾	
	as at		as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
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 31 March 2013 and 31 December 2012, 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	
	as at		as at		as at		as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Pass	278,574	251,348	-	-	-	-	-	-	278,574	251,348
Special mention	12,296	12,045	-	-	-	-	-	-	12,296	12,045
Sub-standard	1,899	1,861	-	-	-	-	-	-	1,899	1,861
Doubtful	667	488	-	-	-	-	-	-	667	488
Doubtful of loss	423	425	74	72	21	21	18	18	536	536
Total	293,859	266,167	74	72	21	21	18	18	293,972	266,278

⁽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 setting the allowance for doubtful accounts ⁽¹⁾		Percentage of allowance for doubtful account setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Pass	172,230	159,472	172,230	159,472	0.73	0.77	1,260	1,227
Special mention	11,381	10,939	11,381	10,939	6.19	6.56	704	717
Sub-standard	1,736	1,707	1,736	1,707	23.95	24.24	416	414
Doubtful	627	452	627	452	24.80	24.65	155	111
Doubtful of loss	44	38	44	38	22.13	21.90	10	9
Total	186,018	172,608	186,018	172,608			2,545	2,478

⁽¹⁾ The subsidiary company operating banking business does not deduct the collateral value from the outstanding loan balance for calculation of allowance for doubtful accounts for hire purchase receivables.

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

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

(Unaudited but reviewed)

3.7.4 Loans to customers 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	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
				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	2	2	246	250	133	142	140	132
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	-	-	-	-	-	-	-	-
5. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	2	2	246	250	133	142	140	132

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

	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	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Doubtful of loss	1	1	1	1	1	1

3.7.6 Hire purchase receivables / financial lease receivables and other loan receivables of the other subsidiaries classified in accordance with the Bank of Thailand's guidelines are as follows:

(Unit: Million Baht)

	Debt balance		Allowance for doubtful account		Debt balance - net	
	as at		as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Pass	10,172	8,768	194	199	9,978	8,569
Special mention	708	556	98	92	610	464
Sub-standard	266	180	106	76	160	104
Doubtful	115	98	46	41	69	57
Doubtful of loss	39	46	22	25	17	21
Total	11,300	9,648	466	433	10,834	9,215

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Receivable from clearing house	82	136,065	-	-
Value added tax - net	1,370,967	1,551,171	6,117	6,256
Accrued interest receivable	36,096	31,867	-	-
Fee and charges receivable	241,481	277,240	98,907	88,652
Refundable income tax and prepaid				
income tax	366,658	367,904	-	-
Deposits	48,219	41,403	4,080	4,080
Other receivables	558,939	594,595	-	-
Dividend receivable	7,900	-	-	-
Other assets	421,511	335,930	41,192	28,000
Total other assets	3,051,853	3,336,175	150,296	126,988

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

Consolidated financial statements
as at

	31 March 2013	31 December 2012
Deposits		
Current accounts	2,123,364	2,762,373
Savings accounts	26,850,849	28,140,151
Fixed accounts		
- not over 6 months	24,785,049	14,063,664
- over 6 months and less than 1 year	614,190	1,153,580
- over 1 year	157,154	167,791
Certificates of deposit/negotiable certificates of deposit	194,383,835	173,535,780
Total	248,914,441	219,823,339

3.9.2 Classified by the remaining period of contract

(Unit: Thousand Baht)

Consolidated financial statements
as at

	31 March 2013	31 December 2012
Not over 1 year*	248,642,628	219,591,744
Over 1 year	271,813	231,595
Total deposits	248,914,441	219,823,339

*Including fully-mature deposit contract

3.9.3 As at 31 March 2013 and 31 December 2012, 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	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	8,243,000	8,243,000	-	-
Unsubordinated unsecured debentures	503,900	5,828,200	-	-
Bills of exchange	13,167,887	13,805,253	6,395,804	6,311,631
Promissory notes	797	797	-	-
Total	21,915,584	27,877,250	6,395,804	6,311,631

3.10.1 Subordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
			31 March 2013 (Units)	31 December 2012 (Units)		31 March 2013 (Million Baht)	31 December 2012 (Million Baht)		
			2009	TISCO Bank		Subordinated and unsecured long-term debentures	2 million		
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 forth 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 million	1,000	1,000	1,000	2022	4.85 percent per annum.
2012	TISCO Bank	Subordinated and unsecured long-term debentures	1,243,000	1,243,000	1,000	1,243	1,243	2022	4.60 percent per annum.
Total						8,243	8,243		

3.10.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate	
			31 March 2013 (Unit)	31 December 2012 (Unit)		31 March 2013 (Million Baht)	31 December 2012 (Million Baht)			
			2012	TISCO Bank		Unsubordinated and unsecured short- term debentures	-			4,324,300
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	503,900	1,000	504	504	2013	3.50 percent per annum	
Total							<u>504</u>	<u>5,828</u>		

3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rates bearing and float interest rate bearing, which will gradually mature in 2013 to 2015. The interest rates of the fixed interest rates bearing bills of exchange are between 2.50 and 4.25 percent per annum.

3.11 Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 March 2013 and 31 December 2012, which are compensations on employee's retirement and other long-term benefits were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	31 March 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	242,830	205,141
Current service cost	4,903	22,468
Interest cost	2,117	8,342
Benefits paid during the period/year	-	(5,218)
Adjustment on actuarial losses	-	12,097
Defined post employment benefit obligation at end of period/year	249,850	242,830
Other long-term benefits	78,354	81,527
Total provision for long-term employee benefits at end of period/year	<u>328,204</u>	<u>324,357</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

as at

	31 March 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	59,889	49,069
Current service cost	913	3,866
Interest cost	437	1,745
Benefits paid during the period/year	-	-
Adjustment on actuarial losses	-	5,209
Defined post employment benefit obligation at end of period/year	61,239	59,889
Other long-term benefits	10,888	11,197
Total provision for long-term employee benefits at end of period/year	72,127	71,086

Long-term employee benefits expenses included in the profit or loss for the three-month periods ended 31 March 2013 and 2012 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements for the three-month periods ended		Separate financial statements for the three-month periods ended	
	2013	2012	2013	2012
Current service cost	7,477	5,276	1,195	948
Interest cost	2,774	1,968	528	480
Total employee benefits expenses	10,251	7,244	1,723	1,428

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate	3.14 - 4.30	3.09 - 4.21	3.14 - 4.28	3.09 - 4.20
Average salary increase rate	4.39	4.39	4.39	4.39
Average inflation rate	3.50	3.50	3.50	3.50

3.12 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Payable to clearing housing	985,774	852,369	-	-
Withholding income tax and other tax payable	117,695	353,942	17,788	61,177
Accrued insurance premium	648,209	885,727	-	-
Deferred income	568,216	550,733	-	-
Accrued expenses	2,259,757	2,089,089	840,578	683,250
Suspense creditors	485,812	579,873	-	-
Other payables	700,280	59,271	-	-
Other liabilities	366,404	212,579	62	60
Total other liabilities	6,132,147	5,583,583	858,428	744,487

The above accrued expenses included accrued bonus expenses which are remuneration paid to the employees and management 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 31 March 2013 and 31 December 2012, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 372 million and Baht 355 million, respectively (the Company only: Baht 216 million and Baht 206 million, respectively).

3.13 Capital funds

3.13.1 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.

3.13.2 TISCO Bank maintains capital adequacy ratio in compliance with Basel III 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 31 March 2013 and 31 December 2012, 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.

Capital funds of TISCO Bank (under Basel III principles) are as follows:

(Unit: Thousand Baht)

	As at	
	31 March 2013	31 December 2012 ⁽¹⁾
<u>Common Equity Tier I capital</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	846,100
Net profits after appropriation	6,794,359	6,089,582
Less: Deficit provision according to IRB	(346,042)	(279,825)
Total Common Equity Tier I capital	14,706,390	14,067,830
<u>Financial Instrument Tier I capital</u>		
Issued and paid up share capital - non cumulative preferred shares	1	-
Total Tier I capital	14,706,391	14,067,830
<u>Tier II capital</u>		
Subordinated long-term debentures	7,518,700	6,858,434
Reserve for loans classified as pass	594,021	490,337
Less: Deficit provision according to IRB	-	(279,825)
Total Tier II capital	8,112,721	7,068,946
Total capital funds	22,819,112	21,136,776

⁽¹⁾ Capital funds as at 31 December 2012 were calculated under Basel II principles.

(Unit: Percent)

Capital ratios	As at			
	31 March 2013		31 December 2012 ⁽¹⁾	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	8.33	4.50	-	-
Tier I capital to risk assets	8.33	6.00	8.51	4.25
Total capital to risk assets	12.92	8.50	12.79	8.50

⁽¹⁾ Capital fund ratios as at 31 December 2012 were calculated under Basel II principles.

3.13.3 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 31 December 2012 on its website on 30 April 2013.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Interbank and money market items	215,240	187,281
Investments in debt securities	41,671	41,061
Loans to customers	1,344,673	932,803
Hire purchase and financial lease	2,865,381	2,252,241
Total interest income	4,466,965	3,413,386

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Interbank and money market items	4,528	2,571
Loans to customers	37,484	10,677
Total interest income	42,012	13,248

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Deposits	1,730,941	277,952
Interbank and money market items	98,742	142,705
Contribution fee to the Deposit Protection Agency and Bank of Thailand	283,955	75,339
Issued debt instruments		
- Subordinated debentures	106,934	81,051
- Unsubordinated debentures	37,060	23,119
Borrowings	105,985	1,247,608
Total interest expenses	2,363,617	1,847,774

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Interbank and money market items	322	-
Borrowings	50,685	18,516
Total interest expenses	51,007	18,516

3.16 Fees and services income - net

Fees and service income in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Fees and service income		
- Acceptance, aval and guarantees	2,737	3,685
- Insurance service	825,381	428,166
- Brokerage fees	362,949	177,907
- Fund management	201,569	163,969
- Financial advisory fees	3,800	5,600
- Others	242,756	191,451
Total fees and service income	1,639,192	970,778
Fees and service expenses		
- Information service expenses	(6,115)	(21,966)
- Others	(60,190)	(37,877)
Total fees and service expenses	(66,305)	(59,843)
Fees and service income - net	1,572,887	910,935

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Fees and service income	-	-
Fees and service expenses	(2,287)	(2,020)
Fees and service income - net	(2,287)	(2,020)

3.17 Losses on trading and foreign exchange transactions - net

Losses on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(33,683)	(17,196)
- Derivatives on interest rates	(3,809)	(12,098)
- Debt securities	2,090	3,159
- Equity securities	-	1,281
- Others	(6)	3
Total	(35,408)	(24,851)

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Losses on trading and foreign exchange transactions		
- Equity securities	(34,857)	-
Total	(34,857)	-

3.18 Gains (losses) on investments - net

Gains (losses) on investments in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Gains on disposal		
- Available-for-sale securities	154,847	1,252
- Held-to-maturity securities	73	79
- General investments	11,157	7,920
Total	166,077	9,251
Reversal on impairment		
- General investments	-	1,317
Total	-	1,317
Gains on investments - net	166,077	10,568
		(Unit: Thousand Baht)
	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Losses on impairment		
- Investments in subsidiaries	-	(5)
Losses on investments - net	-	(5)

3.19 Bad debt, doubtful accounts and impairment loss

Bad debt, doubtful accounts and impairment loss in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Interbank and money market items	25,000	10,000
Held-to-maturity debt securities	93	(1,193)
Loans to customers	914,998	251,000
Total	940,091	259,807

3.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Gain on disposal of property foreclosed	-	13,474
Rental income	7,230	6,123
Others	5,830	8,733
Total	13,060	28,330

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Rental income	16,382	14,628
Others	308	378
Total	16,690	15,006

3.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Mailing expenses	15,449	13,990
Software amortisation expenses	16,213	19,152
Legal expenses	36,163	33,373
Transportation expenses	23,266	21,583
Loss on disposal of property foreclosed	23,332	-
Others	56,448	93,891
Total	170,871	181,989

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2013	2012
Mailing expenses	10	234
Software amortisation expenses	6,085	6,319
Transportation expenses	2,056	2,049
Others	6,952	27,345
Total	15,103	35,947

3.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month periods ended 31 March 2013 and 2012 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2013	2012	2013	2012
Current income tax:				
Income tax expenses for the periods	333,216	226,423	14,485	25,688
Adjustment in respect of current income tax of previous year	2,959	-	(950)	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(51,748)	21,743	42	(34)
Income tax expenses reported in statements of comprehensive income	284,427	248,166	13,577	25,654

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2013	2012	2013	2012
Other comprehensive income				
Losses on translation adjustment in foreign operations	(1,953)	(1,229)	-	-
Available-for-sale securities:				
Gains (losses) arising during the periods	92,849	94,513	(34,756)	-
Less: Reclassification adjustments for gains included in profit or loss	(154,847)	(1,251)	-	-
	(61,998)	93,262	(34,756)	-
Cash flow hedges:				
Gains (losses) arising during the periods	25,002	(60,281)	-	-
Add: Reclassification adjustments for losses included in profit or loss	-	9,218	-	-
	25,002	(51,063)	-	-
Total other comprehensive income	(38,949)	40,970	(34,756)	-
Income tax effect	2,417	(8,439)	6,951	-
Other comprehensive income for the periods - net	<u>(36,532)</u>	<u>32,531</u>	<u>(27,805)</u>	<u>-</u>

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	2013			2012		
	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	(61,998)	7,417	(54,581)	93,262	(18,653)	74,609
Cash flow hedges	25,002	(5,000)	20,002	(51,063)	10,214	(40,849)
	<u>(36,996)</u>	<u>2,417</u>	<u>(34,579)</u>	<u>42,199</u>	<u>(8,439)</u>	<u>33,760</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 31 March					
	2013			2012		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Decrease in surplus on change in value of investments	(34,756)	6,951	(27,805)	-	-	-
	<u>(34,756)</u>	<u>6,951</u>	<u>(27,805)</u>	<u>-</u>	<u>-</u>	<u>-</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		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2013	2012	2013	2012
	Profit attributable to equity holders of the Company (Thousand Baht)	1,153,503	836,660	59,148
Weighted average number of shares (Thousand shares)	727,912	727,912	727,912	727,912
Basic earnings per share (Baht/share)	1.58	1.15	0.08	0.12

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January 2013	Increase	Decrease	As at 31 March 2013
<u>Outstanding balance</u>				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (assets):				
TISCO Bank Public Company Limited	565,984	558,323	-	1,124,307
Loans:				
Hi-Way Co., Ltd.	1,196,000	110,000	-	1,306,000
TISCO Leasing Co., Ltd.	2,645,000	670,000	-	3,315,000
Dividend receivable:				
TISCO Bank Public Company Limited	1,237,656	-	(1,237,656)	-
TISCO Securities Co., Ltd.	260,000	-	-	260,000
TISCO Asset Management Co., Ltd.	334,998	-	-	334,998
TISCO Tokyo Leasing Co., Ltd.	-	2,205	-	2,205
Other assets:				
TISCO Bank Public Company Limited	87,293	10,349	-	97,642
TISCO Learning Center Co., Ltd.	104	1,160	-	1,264
Deutsche TISCO Investment Advisory Co., Ltd.	1,250	-	(1,250)	-
Interbank and money market items (Liability):				
TISCO Securities Co., Ltd.	200,000	-	(200,000)	-
Borrowings:				
TISCO Information Technology Co., Ltd.	-	65,000	-	65,000
Interest payable:				
TISCO Information Technology Co., Ltd.	-	113	-	113
TISCO Securities Co., Ltd.	107	-	(107)	-
Other liabilities:				
TISCO Learning Center Co., Ltd.	88	106	-	194

(Unaudited but reviewed)

	Separate financial statements		(Unit: Thousand Baht)
			Terms and pricing policy
	2013	2012	(For the period 2013)
<u>Transactions occurred during the</u>			
<u>three-month periods ended 31 March</u>			
(Eliminated in consolidated financial statements)			
Subsidiary companies			
Risk and financial management fee income, human resources management fee income and office administration fee income	431,467	377,507	Determined on the basis on actual cost
Interest income	41,931	13,205	With reference to the terms and prices as offered to other customers
Rental income	16,123	14,399	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	42,500	40,000	Determined on the basis on actual cost
Interest expenses	435	-	With reference to the terms and prices as offered to other customers
Training expenses	253	247	With reference to the prices as offered from other service providers

Loans to management-level employees (departmental manager upward)

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	31 March 2013	31 December 2012
Loans ⁽¹⁾	28,797	29,927

⁽¹⁾ Including employee welfare loan and normal business loan

Liabilities payable to directors and key management personnel

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	31 March 2013	31 December 2012
Deposits	146,602	195,678

Directors and management's benefits

During the three-month periods ended 31 March 2013 and 2012, the Company and its subsidiaries had short-term benefit paid to their directors and management during the periods and other employee benefit expenses payable to their directors and management as below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2013	2012	2013	2012
Short-term benefit	53	82	35	63
Post-employment benefit	1	1	1	1
Total	54	83	36	64

3.27 Segment information

For management purposes, the Company and its subsidiaries operate four main businesses, as follow:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through the TISCO Bank headquarters.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarters and branches of subsidiaries across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Company and its subsidiaries have aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Company's and its subsidiaries' income taxes are managed on a group basis. Therefore these expenses are not allocated to operating segments.

Inter-segment revenues are eliminated on consolidation.

(Unaudited but reviewed)

Financial positions and results of operation classified by business type

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
Segment assets							
As at 31 March 2013	312,125	6,212	750	23,372	342,459	(23,444)	319,015
As at 31 December 2012	284,893	5,019	601	23,312	313,825	(23,328)	290,497

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the three-month period ended							
31 March 2013							
Revenue							
External customers	3,590	502	255	(92)	4,255	-	4,255
Inter-segment	(61)	110	-	612	661	(661)	-
Total revenue	3,529	612	255	520	4,916	(661)	4,255
Results :							
Net interest income	2,101	8	3	(9)	2,103	-	2,103
Net fees and service income	979	463	252	113	1,807	(234)	1,573
Other operating income	449	141	-	416	1,006	(427)	579
Total operating income	3,529	867	255	520	4,916	(661)	4,255
Depreciation and amortisation	(227)	(21)	(6)	(110)	(364)	119	(245)
Other operating expenses	(1,479)	(264)	(103)	(314)	(2,160)	566	(1,594)
Bad debt, doubtful account and impairment loss	(940)	-	-	-	(940)	-	(940)
Total operating expenses	(2,646)	(285)	(109)	(424)	(3,464)	685	(2,779)
Segment profit	883	327	146	96	1,452	24	1,476
Income tax expense							(284)
Non-controlling interests of the subsidiaries							(38)
Profit for the period - equity holders of the Company							1,154

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the three-month period ended							
31 March 2012							
Revenue							
External customers	2,448	189	180	(18)	2,799	-	2,799
Inter-segment	(20)	6	-	510	496	(496)	-
Total revenue	2,428	195	180	492	3,295	(496)	2,799
Results :							
Net interest income	1,561	7	2	(5)	1,565	-	1,565
Net fees and service income	566	170	178	102	1,016	(105)	911
Other operating income	301	18	-	395	714	(391)	323
Total operating income	2,428	195	180	492	3,295	(496)	2,799
Depreciation and amortization	(210)	(17)	(6)	(103)	(336)	111	(225)
Other operating expenses	(1,133)	(117)	(92)	(269)	(1,611)	388	(1,223)
Bad debt, doubtful account and impairment loss	(260)	-	-	-	(260)	-	(260)
Total operating expenses	(1,603)	(134)	(98)	(372)	(2,207)	499	(1,708)
Segment profit	825	61	82	120	1,088	3	1,091
Income tax expense							(248)
Non-controlling interests of the subsidiaries							(6)
Profit for the period - equity holders of the Company							837

3.28 Financial information classified by domestic and foreign operations**3.28.1 Financial position**

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 March 2013			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	342,411	43	(23,444)	319,010
Interbank and money market items (assets)	44,381	43	(2,799)	41,625
Investments - net	6,703	-	-	6,703
Loans to customers and accrued interest receivables - net	266,138	-	(4,686)	261,452
Deposits	250,309	-	(1,395)	248,914
Interbank and money market items (liabilities)	17,862	-	(1,407)	16,455
Debt issued and borrowings	26,602	-	(4,686)	21,916

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2012			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	313,780	45	(23,328)	290,497
Interbank and money market items (assets)	33,348	45	(2,197)	31,196
Investments - net	7,016	-	-	7,016
Loans to customers and accrued interest receivables - net	247,588	-	(4,041)	243,547
Deposits	220,634	-	(811)	219,823
Interbank and money market items (liabilities)	15,561	-	(1,590)	13,971
Debt issued and borrowings	31,718	-	(3,841)	27,877

3.28.2 Results of operations

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 31 March 2013				
	Domestic operations	Foreign operations	Elimination	Total
Interest income	4,519	-	(52)	4,467
Interest expenses	(2,416)	-	52	(2,364)
Interest income - net	2,103	-	-	2,103
Net fee and service income	1,807	-	(235)	1,572
Other operating income	615	-	(427)	188
Total operating income	4,525	-	(662)	3,863
Other operating expenses	(2,133)	-	685	(1,448)
Bad debt, doubtful accounts and impairment loss	(940)	-	-	(940)
Income tax expenses	(284)	-	-	(284)
Non-controlling interest	-	-	(38)	(38)
Profit for the period - equity holders of the Company	1,168	-	(15)	1,153

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 31 March 2012				
	Domestic operations	Foreign operations	Elimination	Total
Interest income	3,427	-	(14)	3,413
Interest expenses	(1,862)	-	14	(1,848)
Interest income - net	1,565	-	-	1,565
Net fee and service income	1,016	-	(105)	911
Other operating income	714	-	(391)	323
Total operating income	3,295	-	(496)	2,799
Other operating expenses	(1,946)	(1)	499	(1,448)
Bad debt, doubtful accounts and impairment loss	(260)	-	-	(260)
Income tax expenses	(248)	-	-	(248)
Non-controlling interest	-	-	(6)	(6)
Profit for the period - equity holders of the Company	841	(1)	(3)	837

3.29 Provident fund

The Company, its nine subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, the subsidiaries and the employees contribute to the fund monthly at the rates of 5 to 10 percent of the employees' salaries, depending on the number of years of service. The provident funds of the Company and its eight subsidiaries are managed by TISCO Asset Management Company Limited, and the fund of another subsidiary is managed by Bangkok Bank Public Company Limited. The funds will be paid to the employees upon termination in accordance with the fund rules. During the three-month periods ended 31 March 2013 and 2012, the Company and its subsidiaries paid provident fund contributions totaling Baht 30 million and Baht 27 million, respectively (the Company only: Baht 5 million and Baht 4 million, respectively).

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	31 March 2013	31 December 2012
Avals	739,796	155,388
Other guarantees	647,694	722,348
Undrawn client overdraft facilities	49,882	47,905
Interest rate swap agreements	3,032,000	3,032,000
Cross currency swap agreements	3,496,173	3,702,570
	<u>7,965,545</u>	<u>7,660,211</u>

3.30.2 Litigation

As at 31 March 2013 and 31 December 2012, the subsidiary has been sued for compensation totaling approximately Baht 208 million and Baht 165 million, respectively. 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.

3.30.3 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 to 10 years.

As at 31 March 2013 and 31 December 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

Payable within:	As at	
	31 March 2013	31 December 2012
Not over 1 year	117	110
Over 1 to 5 years	113	128

(Unit: Million Baht)

4. Significant events during the period

Registration of the establishment of a subsidiary company and change in the subsidiary's name

By virtue of a resolution passed by the Executive Board of TISCO Financial Group Public Company Limited No.10/2012, on 30 October 2012, the Company was to register the incorporation of T Troop Company Limited to provide recruitment and human resource services to companies in TISCO Group, with a registered share capital of Baht 1 million (10,000 ordinary shares of Baht 100 each) of which the Company was to hold 99.99%. On 15 February 2013, the Company registered the establishment of this company with the Ministry of Commerce.

A resolution passed by the Extraordinary General Meeting of the Shareholders of T Troop Co., Ltd. No. 1/2013, on 29 March 2013, approved the change in that company's name and the amendment of item No.1 in the memorandum of association, to state that the company's name is "All-Ways Co., Ltd.". On 29 March 2013, the company registered the amendment of its memorandum of association with the Ministry of Commerce.

5. Subsequent events

5.1 The Annual General Meeting of the Company's shareholders for the year 2013 convened on 25 April 2013, passed the following resolutions:

- a) To approve a dividend payment of Baht 2.40 per share from the operating results of the year 2012 to the ordinary and preference shareholders listed in the share register as of 7 May 2013. The dividend is to be paid on 23 May 2013 and will be recorded in the accounts in the second quarter of year 2013.
- b) To approve the issuance and allocation of up to 72,791,209 units of Transferable Subscription Rights (TSRs) at no cost to the existing shareholders of the Company pro rata to their shareholding at an offering ratio of 1 TSRs for every 10 existing shares (common shares and preferred shares). Each TSRs conveys the right to purchase 1 newly issued common share of the Company at a price of Baht 24 per share. The closing date of the share register to determine which shareholders are entitled to receive the TSRs is 7 May 2013. In addition, the meeting approved the delegation of authority to determine other relevant details in connection with the issuance and allocation of the TSRs to the existing shareholders of the Company to the Board of Directors or the Group Chief Executive, including without limitation, the offering period, offering price, payment period, and other terms and conditions.
- c) To approve the reduction of the Company's registered capital from Baht 11,002,000,000 to Baht 7,279,120,860, by cancelling 372,287,914 unissued preferred shares with a par value of Baht 10 per share. In order to reflect the reduction of the registered capital, the meeting approved the amendment of Clause 4 of the Company's Memorandum of Association, to state that the registered capital is Baht 7,279,120,860, consisting of 33,858 preference shares and 727,878,228 ordinary shares of Baht 10 each.
- d) To approve the increase of the Company's registered capital from Baht 7,279,120,860 to Baht 8,007,032,950, to support the exercise of the Transferable Subscription Rights (TSRs). The additional registered capital of Baht 727,912,090 consists of 72,791,209 common shares with a par value of Baht 10 per share. In order to reflect the increase of the Company's registered capital, the meeting approved the amendment to Clause 4 of the Company's Memorandum of Association, to state that the registered capital is Baht 8,007,032,950, consisting of 33,858 preference shares and 800,669,437 ordinary shares of Baht 10 each.

5.2 The 2013 Annual General Meeting of the shareholders of TISCO Bank Public Company Limited (“the Bank”), a subsidiary of the Company, which convened on 25 April 2013, passed a resolutions approving the increase of the Bank’s registered capital to accommodate the allocation of the new common shares issued to the existing shareholders of the Bank named in the share register as of 7 May 2013, pro rata to their shareholding. The Bank will increase its registered capital to Baht 8,191,712,820. The additional registered capital of Baht 910,190,320 will consist of 91,019,032 common shares with a par value of Baht 10 per share, and the new shares will be allocated at an offering ratio of 1 new share for every 8 existing shares (both common and preferred shares), with an offer price of Baht 20.88 per share, for a total of Baht 1,900 million. The offer price was calculated based on the book value of shareholders’ equity as of 31 December 2012. This capital increase will support future business growth.

6. Approval of interim financial statements

These interim financial statements were approved by the Company’s Audit Committee on 10 May 2013.