

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month and nine-month period ended
30 September 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 30 September 2013, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013, the related consolidated statement of changes in shareholders' equity, and cash flows for the nine-month period 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 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.



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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.

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited
Bangkok: 12 November 2013

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,153,094	1,046,330	70	50
Interbank and money market items - net		41,605,470	31,196,279	676,277	565,984
Derivatives assets	3.2	19,719	41,863	-	-
Investments - net	3.3, 3.7	9,991,190	7,015,518	737,839	812,737
Investments in subsidiaries - net	3.4	-	-	16,923,875	15,021,895
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		313,686,295	273,311,973	4,035,000	3,841,000
Accrued interest receivables		383,748	352,769	-	-
Total loans to customers and accrued interest receivables		314,070,043	273,664,742	4,035,000	3,841,000
Less: Deferred revenue		(28,831,249)	(24,996,296)	-	-
Less: Allowance for doubtful accounts	3.6	(5,714,805)	(5,121,518)	-	-
Less: Allowance for loss on debt restructuring		-	(3)	-	-
Loans to customers and accrued interest receivables - net		279,523,989	243,546,925	4,035,000	3,841,000
Property foreclosed - net		162,055	272,533	-	-
Investment properties - net		7	304	353,282	363,191
Premises and equipment - net		1,348,532	1,384,381	340,657	365,160
Intangible assets - net		121,544	126,709	60,668	45,208
Deferred tax assets		331,947	306,126	201,841	191,381
Securities and derivatives business receivables - net		1,595,765	2,223,792	-	-
Dividend receivable from subsidiaries		-	-	-	1,832,654
Other assets	3.8	2,537,380	3,336,175	181,021	126,988
Total assets		338,390,692	290,496,935	23,510,530	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 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	257,216,529	219,823,339	-	-
Interbank and money market items - net		15,558,532	13,970,608	-	200,000
Liability payable on demand		450,039	652,310	-	-
Payable under securities borrowing and lending business		-	163	-	-
Derivatives liabilities	3.2	169,623	747	-	-
Debts issued and borrowings	3.10	33,733,529	27,877,250	6,327,910	6,311,631
Provision for long-term employee benefits	3.11	309,472	324,357	66,249	71,086
Deferred tax liabilities		134,867	158,583	-	-
Securities and derivatives business payables		1,075,663	1,523,645	-	-
Accrued interest payable		2,200,632	1,773,793	47,841	31,087
Income tax payable		236,011	428,307	5,932	66,129
Other liabilities	3.12	5,672,696	5,583,583	1,165,321	744,487
Total liabilities		316,757,593	272,116,685	7,613,253	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 30 September 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 September 2013 (Unaudited but reviewed)	31 December 2012 (Audited)
Shareholders' equity					
Share capital	5.2				
Registered					
33,858 preference shares of Baht 10 each (31 December 2012: 372,287,914 preference shares of Baht 10 each)		339	3,722,879	339	3,722,879
800,669,437 ordinary shares of Baht 10 each (31 December 2012: 727,912,086 ordinary shares of Baht 10 each)		8,006,694	7,279,121	8,006,694	7,279,121
		<u>8,007,033</u>	<u>11,002,000</u>	<u>8,007,033</u>	<u>11,002,000</u>
Issued and paid-up					
33,858 preference shares of Baht 10 each (31 December 2012: 33,858 preference shares of Baht 10 each)		339	339	339	339
800,621,625 ordinary shares of Baht 10 each (31 December 2012: 727,878,228 ordinary shares of Baht 10 each)		8,006,216	7,278,782	8,006,216	7,278,782
		<u>8,006,555</u>	<u>7,279,121</u>	<u>8,006,555</u>	<u>7,279,121</u>
Share premium					
Share premium on preference shares		-	-	298	298
Share premium on ordinary shares		1,018,408	-	7,031,225	6,012,817
		<u>1,018,408</u>	<u>-</u>	<u>7,031,523</u>	<u>6,013,115</u>
Other components of shareholders' equity		758,023	1,040,375	(64,160)	11,571
Retained earnings					
Appropriated-statutory reserve		405,200	405,200	405,200	405,200
Unappropriated		11,177,740	9,471,665	518,159	2,032,821
Equity attributable to owners of the Company		<u>21,365,926</u>	<u>18,196,361</u>	<u>15,897,277</u>	<u>15,741,828</u>
Non-controlling interests of the subsidiaries		267,173	183,889	-	-
Total shareholders' equity		<u>21,633,099</u>	<u>18,380,250</u>	<u>15,897,277</u>	<u>15,741,828</u>
Total liabilities and shareholders' equity		<u>338,390,692</u>	<u>290,496,935</u>	<u>23,510,530</u>	<u>23,166,248</u>

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 30 September 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	4,943,539	3,939,775	42,731	20,081
Interest expenses	3.15	(2,626,854)	(2,117,035)	(56,962)	(34,523)
Net interest income		2,316,685	1,822,740	(14,231)	(14,442)
Fee and service income		1,275,470	1,117,527	-	-
Fee and service expenses		(53,881)	(57,802)	(4,191)	(2,648)
Net fee and service income	3.16	1,221,589	1,059,725	(4,191)	(2,648)
Net gains (losses) on trading and foreign exchange transactions	3.17	(3,050)	38,942	6,999	-
Net gains on investments	3.18	14,383	82,552	-	-
Dividend income		20,281	21,193	-	-
Penalty fee income from loans		73,381	64,456	-	-
Income from business promotion relating to the hire purchase business		123,355	403,709	-	-
Intercompany supporting fee income	3.26	-	-	440,356	395,813
Other operating income	3.20, 3.26	30,359	33,673	17,476	16,591
Total operating income		3,796,983	3,526,990	446,409	395,314
Expenses from business promotion relating to the hire purchase business		162,237	495,103	-	-
Total net operating income		3,634,746	3,031,887	446,409	395,314
Other operating expenses					
Employee's expenses		927,231	799,688	242,091	167,800
Directors' remuneration		3,345	3,235	3,265	2,995
Premises and equipment expenses		228,408	210,606	86,368	82,306
Taxes and duties		55,570	44,772	2	3
Other operating expenses	3.21	186,678	210,180	27,438	42,088
Total other operating expenses		1,401,232	1,268,481	359,164	295,192
Bad debt, doubtful accounts and impairment losses	3.19	777,892	531,810	-	-
Profit from operating before income tax expenses		1,455,622	1,231,596	87,245	100,122
Income tax expenses	3.22	292,725	271,003	18,596	23,420
Profit for the period		1,162,897	960,593	68,649	76,702

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 30 September 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			
Gains (losses) arising from translating the financial statements of a foreign operation				
	381	(1,408)	-	-
Investment in available-for-sale securities	39,366	116,024	77,423	-
Cash flow hedges	(10,526)	56,373	-	-
Income tax effect	3.24	(5,768)	(15,484)	-
Other comprehensive income for the period		23,453	61,939	-
Total comprehensive income for the period		1,186,350	130,588	76,702
Profit attributable to:				
Equity holders of the Company	3.25	1,131,997	952,979	68,649
Non-controlling interests of the subsidiaries		30,900	7,614	
		1,162,897	960,593	
Total comprehensive income attributable to:				
Equity holders of the Company		1,159,745	1,066,489	130,588
Non-controlling interests of the subsidiaries		26,605	30,614	76,702
		1,186,350	1,097,103	
Earnings per share of equity holders of the Company				
Basic earnings per share	3.25	1.40	1.31	0.08

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****For the nine-month period ended 30 September 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	14,176,560	10,969,974	135,235	51,944
Interest expenses	3.15	(7,527,517)	(5,853,029)	(171,543)	(79,729)
Net interest income		6,649,043	5,116,945	(36,308)	(27,785)
Fee and service income		4,182,814	3,062,371	-	-
Fee and service expenses		(178,783)	(168,009)	(9,869)	(6,614)
Net fee and service income	3.16	4,004,031	2,894,362	(9,869)	(6,614)
Net gains on trading and foreign exchange transactions	3.17	31,309	160,362	19,766	-
Net gains (losses) on investments	3.18	267,179	107,055	-	(7)
Dividend income		99,144	82,425	2,205	2,205
Penalty fee income from loans		211,352	194,110	-	-
Income from business promotion relating to the hire purchase business		637,119	872,749	-	-
Intercompany supporting fee income	3.26	-	-	1,234,642	1,141,053
Other operating income	3.20, 3.26	55,501	94,095	50,754	48,463
Total operating income		11,954,678	9,522,103	1,261,190	1,157,315
Expenses from business promotion relating to the hire purchase business		770,338	1,032,435	-	-
Total net operating income		11,184,340	8,489,668	1,261,190	1,157,315
Other operating expenses					
Employee's expenses		2,870,346	2,273,305	650,446	485,288
Directors' remuneration		9,765	9,995	9,285	9,275
Premises and equipment expenses		680,686	627,209	255,154	241,358
Taxes and duties		159,685	126,054	1,616	1,440
Other operating expenses	3.21	514,500	562,700	59,826	98,263
Total other operating expenses		4,234,982	3,599,263	976,327	835,624
Bad debt, doubtful accounts and impairment losses	3.19	2,528,117	1,382,951	-	-
Profit from operating before income tax expenses		4,421,241	3,507,454	284,863	321,691
Income tax expenses	3.22	880,337	777,686	57,769	75,866
Profit for the period		3,540,904	2,729,768	227,094	245,825

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 nine-month period ended 30 September 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				
Gains (losses) arising from translating the financial statements of a foreign operation		1,069	(1,185)	-	-
Investment in available-for-sale securities		(342,741)	149,573	(94,664)	-
Actuarial gains (losses)		7,785	(20,034)	5,112	(3,761)
Cash flow hedges		(17,425)	(117,711)	-	-
Income tax effect	3.24	68,082	(2,424)	17,910	752
Other comprehensive income for the period		(283,230)	8,219	(71,642)	(3,009)
Total comprehensive income for the period		3,257,674	2,737,987	155,452	242,816
Profit attributable to:					
Equity holders of the Company	3.25	3,444,638	2,709,374	227,094	245,825
Non-controlling interests of the subsidiaries		96,266	20,394		
		3,540,904	2,729,768		
Total comprehensive income attributable to:					
Equity holders of the Company		3,169,568	2,712,994	155,452	242,816
Non-controlling interests of the subsidiaries		88,106	24,993		
		3,257,674	2,737,987		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	4.57	3.72	0.30	0.34

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Other components of equity														
	Note	Issued and paid-up		Share premium on ordinary shares	Other comprehensive income			Adjustment from business combination of entities under common control under holding restructuring plan	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		Surplus (deficit) on change in value of available-for-sale investments	Cash flow hedges	Exchange differences on translation of financial statements in foreign currency			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
Dividend paid	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
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
Dividend paid	4	-	-	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)	-	(1,745,845)
Total comprehensive income for the period		-	-	-	(276,590)	(6,831)	1,069	-	(282,352)	-	3,451,920	3,169,568	88,106	3,257,674
Increase share capital	5.2	-	727,434	1,018,408	-	-	-	-	-	-	-	1,745,842	-	1,745,842
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(4,822)	(4,822)
Balance as at 30 September 2013		339	8,006,216	1,018,408	1,817	(5,924)	82,864	679,266	758,023	405,200	11,177,740	21,365,926	267,173	21,633,099

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 nine-month period ended 30 September 2013

(Unit: Thousand Baht)

Separate financial statements										
		Issued and paid-up		Share premium		Other components of equity	Retained earnings		Total	
	Note	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Other comprehensive income	Surplus (deficit) on change in value of available-for-sale investments	Appropriated	Unappropriated	
Balance as at 1 January 2012		339	7,278,782	298	6,012,817	-	-	297,900	1,715,391	15,305,527
Dividend paid	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>-</u>	<u>-</u>	<u>297,900</u>	<u>247,634</u>	<u>13,837,770</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
Dividend paid	4	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)
Total comprehensive income for the period		-	-	-	-	(75,731)	-	-	231,183	155,452
Increase share capital	5.2	-	727,434	-	1,018,408	-	-	-	-	1,745,842
Balance as at 30 September 2013		<u>339</u>	<u>8,006,216</u>	<u>298</u>	<u>7,031,225</u>	<u>(64,160)</u>	<u>-</u>	<u>405,200</u>	<u>518,159</u>	<u>15,897,277</u>

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 period ended 30 September 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) "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.

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 99.97 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 5.1 to the financial statements).

1.3 New accounting standards

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

a) Accounting standards that became effective in the current accounting period

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 already early adopted Thai Accounting Standard No. 12 regarding Income Taxes before the effective date.

b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting standard:		
TAS 12 (revised 2012)	Income taxes	1 January 2014
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal form of a Lease	1 January 2014

		<u>Effective date</u>
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
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 Economies	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
TFRIC 17	Distributions of Non - cash Assets to owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	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 TAS 12 (revised 2012), 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.

1.4 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 30 September 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	
			30 September 2013	31 December 2012
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	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	99.97	-
<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					
	30 September 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	160,299	3,139,065	14,882	-	3,063,160
Interest rate	19,177	-	2,526,869	26,981	-	3,032,000
Total	19,177	160,299	5,665,934	41,863	-	6,095,160

All counter parties of these derivative transactions are financial institutions.

3.2.2 Hedging derivatives

The subsidiary company 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					
	30 September 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	542	9,324	417,163	-	747	639,410
Total	542	9,324	417,163	-	747	639,410

All counter parties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by type of investment

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2013	31 December 2012
Trading investments - fair value		
Domestic marketable equity securities	133	23
Less: Allowance for changes in value	(3)	-
Total trading investments	130	23
Available-for-sales investments - fair value		
Government and state enterprise securities	4,896,292	4,136,424
Private sector debt securities	136,460	171,460
Domestic marketable equity securities	548,594	809,401
Other securities - domestic unit trusts	25,281	25,281
Other securities - foreign unit trusts	818,039	798,273
Add: Allowance for changes in value	83,079	413,829
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sales investments	6,506,285	6,353,208
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	3,000,000	49,929
Investment in receivables	55,967	186,847
Less: Allowance for impairment	(19,416)	(20,801)
Total held-to-maturity debt investments	3,036,551	215,975
Other investments - cost		
Domestic non-marketable equity securities	494,053	494,053
Less: Allowance for impairment	(45,829)	(47,741)
Total other investments	448,224	446,312
Investments - net	9,991,190	7,015,518

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2013	31 December 2012
Available-for-sales investments - fair value		
Other securities - foreign unit trusts	818,039	798,273
Add (Less): Allowance for changes in value	(80,200)	14,464
Investments - net	737,839	812,737

3.3.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 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 investments								
Government and state enterprise securities								
	4,696	200	-	4,896	4,133	3	-	4,136
Private sector debt securities	31	105	-	136	142	30	-	172
Total	4,727	305	-	5,032	4,275	33	-	4,308
Add: Allowance for changes in value								
	-	1	-	1	4	-	-	4
Less: Allowance for impairment								
	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,726	306	-	5,032	4,278	33	-	4,311
Held-to-maturity debt securities								
Government and state enterprise securities								
	-	3,000	-	3,000	50	-	-	50
Investment in receivables	49	7	-	56	129	58	-	187
Less: Allowance for impairment								
	(20)	-	-	(20)	(16)	(5)	-	(21)
Total	29	3,007	-	3,036	163	53	-	216
Total debt securities	4,755	3,313	-	8,068	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
	30 September 2013	31 December 2012	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	600	-	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 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					
	30 September 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)	44,436	-	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.	5,707	-	10	5,377	-	10
PDTL Trading Co., Ltd.	6,925	-	10	8,316	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	4,647	-	10	5,697	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,083	-	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 nine-month periods ended 30 September	
		30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012		
				(%)	(%)			2013	2012
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.98	15,195	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 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	-	99.97	-	1	-	-	-
						17,033	15,131	2	672
						(109)	(109)		
						16,924	15,022		
Less: Allowance for impairment									
Investment in subsidiaries - net									

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2013	31 December 2012
Loans to customers		
Loans	74,413,640	66,608,275
Hire purchase receivables	232,281,993	201,220,750
Financial lease receivables	7,758,149	6,020,564
Less: Deferred revenue	(28,831,249)	(24,996,296)
Advances received from financial lease receivables	(767,487)	(537,616)
Total loans to customers	284,855,046	248,315,677
Add: Accrued interest receivables	383,748	352,769
Less: Allowance for doubtful accounts	(5,714,805)	(5,121,518)
Less: Allowance for loss on debt restructuring	-	(3)
Loans to customers and accrued interest receivables - net	279,523,989	243,546,925

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2013	31 December 2012
Loans to customers		
Loans	4,035,000	3,841,000
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	<u>4,035,000</u>	<u>3,841,000</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	281,715,976	-	281,715,976	245,252,517	-	245,252,517
US Dollars	-	3,139,070	3,139,070	-	3,063,160	3,063,160
Total loans to customers net of deferred revenue	<u>281,715,976</u>	<u>3,139,070</u>	<u>284,855,046</u>	<u>245,252,517</u>	<u>3,063,160</u>	<u>248,315,677</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	4,035,000	-	4,035,000	3,841,000	-	3,841,000
Total loans to customers net of deferred revenue	<u>4,035,000</u>	<u>-</u>	<u>4,035,000</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					
	30 September 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 receivables	used for setting the allowance for doubtful accounts	Loans to customers and accrued interest receivables		used for setting the allowance for doubtful accounts		
Provision under BOT's guideline						
- Pass	255,499	232,919	3,006	224,020	204,454	2,752
- Special mention	14,802	14,587	1,080	12,195	11,873	1,024
- Sub-standard	2,474	2,471	733	1,861	1,845	556
- Doubtful	917	903	252	488	477	136
- Doubtful of loss	187	112	75	425	193	216
Allowance established in excess	-	-	33	-	-	4
Total	273,879	250,992	5,179	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 30 September 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 2,117 million (As at 31 December 2012: total of Baht 2,045 million). TISCO Bank allocated Baht 2,084 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 3,062 million (As at 31 December 2012: total of Baht 2,643 million), the total provision set aside in accordance with BOT requirements is Baht 5,146 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	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Pass	0.78	0.77	1	1
Special mention	5.78	6.56	2	2
Sub-standard	23.71	24.24	100	100
Doubtful	23.89	24.65	100	100
Doubtful of loss	22.78	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 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 2013, net receivables of the subsidiary companies under hire purchase and financial lease agreements amount to Baht 210,657 million (31 December 2012: Baht 181,900 million) and mostly comprise hire purchase agreements for cars, and financial lease agreements for 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 statement as at 30 September 2013					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	70,465	156,553	7,501	5,520	240,039
Less: Deferred revenue*	(11,027)	(15,615)	(247)	(1,726)	(28,615)
Advances received from financial lease receivables	(61)	(701)	(4)	(1)	(767)
Present value of minimum lease pay from agreements	59,377	140,237	7,250	3,793	210,657
Allowance for doubtful accounts**					(3,482)
Net hire purchase and financial lease receivables					207,175

* 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 provisions in exceed of BOT's minimum requirement to specific provisions for an individual debtor.

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2012					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 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 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	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	4,514	3,441	4,515	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	
	30 September 2013	31 December 2012
Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	678	333

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

(Unit: Million Baht)

	Consolidated financial statements	
	as at	
	30 September 2013	31 December 2012
Deferred revenue ⁽¹⁾	28,831	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 nine-month periods ended 30 September	
	2013	2012
Debtors restructured during the periods		
Number of debtors restructured by modification of terms (number)	303	118
Loan balances before restructuring (million Baht)	315	94
Loan balances after restructuring (million Baht)	315	94
Loss on troubled debt restructuring (million Baht)	-	-
Average contract period of debt restructuring (period)		
Hire purchase receivables	4	4
Mortgage loan receivables	2	3
Corporate loan receivables	-	2

Supplemental information for the nine-month periods ended 30 September 2013 and 2012 relating to the restructured debts is as follows:

	(Unit: Million Baht) For the nine-month periods ended 30 September	
	2013	2012
Interest income on restructured receivables	31	41
Receipt of principal and interest	199	429

As at 30 September 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			
	30 September 2013		31 December 2012	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,129	650	1,135	735

3.6 Allowance for doubtful accounts

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statement as at 30 September 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 in allowance for doubtful accounts during the period	232,096	111,955	692,903	1,894,646	191,488	29,620	3,152,708
Bad debt written-off	(1,052)	(25,313)	(459,279)	(1,734,888)	(338,889)	-	(2,559,421)
Balance - end of period	<u>3,179,823</u>	<u>1,198,688</u>	<u>864,668</u>	<u>337,159</u>	<u>101,407</u>	<u>33,060</u>	<u>5,714,805</u>

(Unit: Thousand Baht)

Consolidated financial statement 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 statement as at 30 September 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 in allowance for doubtful accounts during the period	389,595	2,733,493	29,620	3,152,708
Bad debt written-off	(408,246)	(2,151,175)	-	(2,559,421)
Balance - end of period	<u>2,236,934</u>	<u>3,444,811</u>	<u>33,060</u>	<u>5,714,805</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2012				
	Individual impairment	Collective impairment	Allowance established in excess	Total
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	
	30 September 2013	31 December 2012
Non-performing loans to customers	3,578	2,774
Allowance for doubtful accounts	1,060	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 as at		Fair value as at		Allowance for possible loss provided in the accounts ⁽¹⁾ as at	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	Debt instruments - debentures ⁽²⁾	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 whose 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 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	
	30	31	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December	September	December
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Pass	294,653	251,348	-	-	-	-	-	-	294,653	251,348
Special mention	14,619	12,045	-	-	-	-	-	-	14,619	12,045
Sub-standard	2,474	1,861	-	-	-	-	-	-	2,474	1,861
Doubtful	917	488	-	-	-	-	-	-	917	488
Doubtful of loss	187	425	71	72	19	21	18	18	295	536
Total	312,850	266,167	71	72	19	21	18	18	312,958	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	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2013	2012	2013	2012	2013	2012	2013	2012
					(%)	(%)		
Pass	182,565	159,472	182,565	159,472	0.78	0.77	1,427	1,227
Special mention	13,438	10,939	13,438	10,939	5.78	6.56	776	717
Sub-standard	2,278	1,707	2,278	1,707	23.71	24.24	540	414
Doubtful	857	452	857	452	23.89	24.65	205	111
Doubtful of loss	71	38	71	38	22.78	21.90	16	9
Total	199,209	172,608	199,209	172,608			2,964	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.

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	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
2013	2012	2013	2012	2013	2012	2013	2012	
	(Number)	(Number)	(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	-	2	-	250	-	142	-	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	-	250	-	142	-	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		Allowance		Allowance for doubtful	
	receivables and accrued interest		for doubtful accounts as required by SEC		accounts provided in the accounts	
	as at		as at		as at	
	30	31	30	31	30	31
September	December	September	December	September	December	
2013	2012	2013	2012	2013	2012	
Doubtful of loss	1	1	1	1	1	1

(Unaudited but reviewed)

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	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Pass	9,801	8,768	174	199	9,627	8,569
Special mention	904	556	118	92	786	464
Sub-standard	336	180	131	76	205	104
Doubtful	233	98	85	41	148	57
Doubtful of loss	49	46	25	26	23	21
Total	11,323	9,648	533	434	10,789	9,215

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Receivable from clearing house	31,057	136,065	-	-
Value added tax - net	1,148,101	1,551,171	1,067	6,256
Accrued interest receivable	31,524	31,867	-	-
Fee and service receivable	202,557	277,240	95,872	88,652
Refundable income tax and prepaid income tax	28,155	367,904	-	-
Deposits	46,327	41,403	4,079	4,080
Other receivables	546,100	594,595	32	-
Dividend receivable	4,000	-	-	-
Other assets	499,559	335,930	79,971	28,000
Total other assets	2,537,380	3,336,175	181,021	126,988

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 September 2013	31 December 2012
Deposits		
Current accounts	2,989,460	2,762,373
Savings accounts	31,027,508	28,140,151
Fixed accounts		
- not over 6 months	8,124,897	14,063,664
- over 6 months but not over 1 year	20,232,697	1,153,580
- over 1 year	190,464	167,791
Certificates of deposit/negotiable certificates of deposit	194,651,503	173,535,780
Total	<u>257,216,529</u>	<u>219,823,339</u>

3.9.2 Classified by remaining period of contract

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 September 2013	31 December 2012
Not over 1 year*	256,717,112	219,591,744
Over 1 year	499,417	231,595
Total deposits	<u>257,216,529</u>	<u>219,823,339</u>

*Including fully-mature deposit contract

3.9.3 As at 30 September 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	
	30 September	31 December	30 September	31 December
	2013	2012	2013	2012
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	8,243,000	8,243,000	-	-
Unsubordinated unsecured debentures	12,400,000	5,828,200	-	-
Unsubordinated guaranteed debentures	1,000,000	-	-	-
Bills of exchange	12,089,732	13,805,253	6,327,910	6,311,631
Promissory notes	797	797	-	-
Total	33,733,529	27,877,250	6,327,910	6,311,631

3.10.1 Subordinated unsecured debentures

As at 30 September 2013 and 31 December 2012, a subsidiary company operating banking business has long term subordinated unsecured debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		30	31		30	31		
		September	December		September	December		
		2013	2012		2013	2012		
		(Units)	(Units)	(Million Baht)	(Million Baht)			
2009	TISCO Bank	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 forth to seventh years and 6.50 percent per annum in the eighth to tenth years.
2009	TISCO Bank	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	1 million	1 million	1,000	1,000	1,000	2020	5.00 percent per annum.
2010	TISCO Bank	1 million	1 million	1,000	1,000	1,000	2020	4.80 percent per annum.
2012	TISCO Bank	1 million	1 million	1,000	1,000	1,000	2022	4.85 percent per annum.
2012	TISCO Bank	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

As at 30 September 2013 and 31 December 2012, a subsidiary company operating banking business has short term unsubordinated unsecured debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		30	31		30	31		
		September	December		September	December		
		2013	2012		2013	2012		
		(Unit)	(Unit)		(Million Baht)	(Million Baht)		
2012	TISCO Bank	-	4,324,300	1,000	-	4,324	2013	3.50 percent per annum
2012	TISCO Bank	-	1 million	1,000	-	1,000	2013	3.50 percent per annum
2012	TISCO Bank	-	503,900	1,000	-	504	2013	3.50 percent per annum
2013	TISCO Bank	3 million	-	1,000	3,000	-	2014	3.10 percent per annum
2013	TISCO Bank	3.5 million	-	1,000	3,500	-	2014	3.15 percent per annum
2013	TISCO Bank	3 million	-	1,000	3,000	-	2014	3.15 percent per annum
2013	TISCO Bank	2.6 million	-	1,000	2,600	-	2014	3.05 percent per annum
2013	TISCO Bank	300,000	-	1,000	300	-	2014	3.10 percent per annum
Total					12,400	5,828		

3.10.3 Unsubordinated guaranteed debentures

As at 30 September 2013 and 31 December 2012, a subsidiary company operating leasing business has long term unsubordinated guaranteed debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		30	31		30	31		
		September	December		September	December		
		2013	2012		2013	2012		
		(Unit)	(Unit)		(Million Baht)	(Million Baht)		
2013	TISCO Tokyo Leasing Co., Ltd.	350,000	-	1,000	350	-	2015	3.88 percent per annum
2013	TISCO Tokyo Leasing Co., Ltd.	650,000	-	1,000	650	-	2017	4.37 percent per annum
Total					1,000	-		

3.10.4 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 Provisions for long-term employee benefits

Provisions for long-term employee benefits, which are compensations on employee's retirement and other long-term benefits, as at 30 September 2013 and 31 December 2012 were as follows:

(Unit: Thousand Baht)

Consolidated financial statements

as at

	30 September 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	242,830	205,141
Current service cost	13,734	22,468
Interest cost	6,126	8,342
Benefits paid during the period/year	(329)	(5,218)
Actuarial (gains) losses	(7,785)	12,097
Defined post employment benefit obligation at end of period/year	254,576	242,830
Other long-term benefits	54,896	81,527
Total provision for long-term employee benefits at end of period/year	309,472	324,357

(Unit: Thousand Baht)

Separate financial statements

as at

	30 September 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	59,889	49,069
Current service cost	2,558	3,866
Interest cost	1,537	1,745
Actuarial (gains) losses	(5,112)	5,209
Defined post employment benefit obligation at end of period/year	58,872	59,889
Other long-term benefits	7,377	11,197
Total provision for long-term employee benefits at end of period/year	66,249	71,086

(Unaudited but reviewed)

Long-term employee benefits expenses included in the profit or loss for the three-month and nine-month periods ended 30 September 2013 and 2012 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Current service cost	8,727	5,907	20,618	18,486
Interest cost	2,897	2,061	7,703	6,182
Actuarial gains	-	-	(19,138)	-
Total employee benefits expenses	11,624	7,968	9,183	24,668

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Current service cost	1,091	1,016	3,272	3,049
Interest cost	581	437	1,742	1,310
Actuarial gains	-	-	(2,882)	-
Total employee benefits expenses	1,672	1,453	2,132	4,359

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial		Separate financial	
	statements		statements	
	2013	2012	2013	2012
Discount rate	3.42 - 4.30	3.09 - 4.21	3.42 - 4.30	3.09 - 4.20
Average salary increase rate	4.25	4.39	4.25	4.39
Average inflation rate	3.36	3.50	3.36	3.50

3.12 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
Payable to clearing housing	542,381	852,369	-	-
Withholding income tax and other tax payable	99,001	353,942	10,825	61,177
Accrued insurance premium	604,374	885,727	-	-
Deferred income	836,616	550,733	-	-
Accrued expenses	2,956,710	2,089,089	1,154,436	683,250
Suspense creditors	335,565	579,873	-	-
Other payables	103,789	59,271	-	-
Other liabilities	194,260	212,579	60	60
Total other liabilities	5,672,696	5,583,583	1,165,321	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 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 2013 and 31 December 2012, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 402 million and Baht 355 million, respectively (the Company only: Baht 227 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 by implementing capital requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, corporate lending, equity exposure and other assets.

Regarding to Capital fund as of 30 September 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	
	30 September 2013	31 December 2012 ⁽¹⁾
<u>Common Equity Tier I capital</u>		
Issued and fully paid up share capital	8,191,712	7,281,522
Premium on share capital	1,120,738	130,451
Statutory reserve	984,000	846,100
Net profits after appropriation	7,943,322	6,089,582
Less: Deficit provision according to IRB	(686,669)	(279,825)
Total Common Equity Tier I capital	17,553,103	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	17,553,104	14,067,830
<u>Tier II capital</u>		
Subordinated long-term debentures	7,518,700	6,858,434
Reserve for loans classified as pass	540,438	490,337
Less: Deficit provision according to IRB	-	(279,825)
Total Tier II capital	8,059,138	7,068,946
Total capital funds	25,612,242	21,136,776

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

(Unit: Percent)

Capital ratios	As at			
	30 September 2013		31 December 2012 ⁽¹⁾	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital				
to risk assets	9.49	4.50	-	-
Tier I capital to risk assets	9.49	6.00	8.51	4.25
Total capital to risk assets	13.85	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 30 June 2013 on its website on 29 October 2013.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Interbank and money market items	250,208	177,585	711,318	519,441
Investments in debt securities	50,009	48,019	137,797	129,787
Loans to customers	1,527,927	1,201,280	4,319,689	3,183,123
Hire purchase and financial lease income	3,115,395	2,512,891	9,007,756	7,137,623
Total interest income	4,943,539	3,939,775	14,176,560	10,969,974

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Interbank and money market items	6,186	3,846	20,500	14,056
Investments in debt securities	36,545	16,235	114,735	37,888
Total interest income	42,731	20,081	135,235	51,944

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Deposits	1,875,443	1,126,735	5,439,776	1,829,195
Interbank and money market items	123,610	125,989	339,837	396,101
Contribution fee to the Deposit Protection Agency and Bank of Thailand	320,401 ⁽¹⁾	222,885 ⁽¹⁾	914,292 ⁽¹⁾	459,806 ⁽¹⁾
Issued debt instruments				
- Subordinated debentures	109,311	94,899	324,367	268,337
- Unsubordinated debentures	97,131	51,416	192,118	131,113
Borrowings	100,958	495,111	317,127	2,768,477
Total interest expenses	<u>2,626,854</u>	<u>2,117,035</u>	<u>7,527,517</u>	<u>5,853,029</u>

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

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Interbank and money market items	-	-	322	-
Borrowings	56,962	34,523	171,221	79,729
Total interest expenses	<u>56,962</u>	<u>34,523</u>	<u>171,543</u>	<u>79,729</u>

3.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Fee and service income				
- Acceptance, aval and guarantees	4,026	2,955	7,992	9,493
- Insurance service	637,787	523,359	2,018,922	1,412,173
- Brokerage fees	234,330	205,406	902,620	555,325
- Fund management	170,918	201,213	559,196	513,427
- Financial advisory	7,500	6,100	13,150	28,500
- Others	220,909	178,494	680,934	543,453
Total fee and service income	1,275,470	1,117,527	4,182,814	3,062,371
Fee and service expenses				
- Information service expense	(4,926)	(17,081)	(16,616)	(54,691)
- Others	(48,955)	(40,721)	(162,167)	(113,318)
Total fee and service expenses	(53,881)	(57,802)	(178,783)	(168,009)
Net fee and service income	1,221,589	1,059,725	4,004,031	2,894,362

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Fee and service income	-	-	-	-
Fee and service expenses				
- Others	(4,191)	(2,648)	(9,869)	(6,614)
Total fee and service expenses	(4,191)	(2,648)	(9,869)	(6,614)
Net fee and service income	(4,191)	(2,648)	(9,869)	(6,614)

3.17 Net gains (losses) on trading and foreign exchange transactions

Net gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	2,217	4,106	21,373	(13,004)
- Derivatives on interest rates	(9,620)	7,345	1,996	33,951
- Debt securities	4,354	4,660	7,948	12,525
- Equity securities	(2)	22,832	(3)	26,128
- Others	1	(1)	(5)	1
Gain on cash flow hedges	-	-	-	100,761
Total	(3,050)	38,942	31,309	160,362

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Gains on trading and foreign exchange transactions				
- Foreign currencies	6,999	-	19,766	-
Total	6,999	-	19,766	-

3.18 Net gains (losses) on investments

Net gains (losses) on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Gains (losses) on disposal				
- Available-for-sale investments	(212)	36	233,942	1,208
- Held-to-maturity debt securities	25	74	141	442
- General investments	11,653	14,390	31,184	36,907
Total	11,466	14,500	265,267	38,557
Reversal of losses on impairment				
- General investments	2,917	68,052	1,912	68,498
Total	2,917	68,052	1,912	68,498
Net gains on investments	14,383	82,552	267,179	107,055

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Losses on impairment				
- Investments in subsidiaries	-	-	-	(7)
Net losses on investments	-	-	-	(7)

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 2013 and 2012 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	
	2013	2012	2013	2012
Interbank and money market items	12,000	2,000	16,000	(8,000)
Held-to-maturity debt securities	191	1,810	(1,381)	2,451
Loans to customers	765,701	528,000	2,515,498	1,388,500
Total	<u>777,892</u>	<u>531,810</u>	<u>2,528,117</u>	<u>1,382,951</u>

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 2013 and 2012 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	
	2013	2012	2013	2012
Gains on disposal of property foreclosed	7,809	11,273	7,809	41,638
Rental income	7,381	5,509	22,060	16,447
Others	15,169	16,891	25,632	36,010
Total	<u>30,359</u>	<u>33,673</u>	<u>55,501</u>	<u>94,095</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Rental income	16,366	16,280	49,195	47,586
Others	1,110	311	1,559	877
Total	<u>17,476</u>	<u>16,591</u>	<u>50,754</u>	<u>48,463</u>

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 2013 and 2012 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	
	2013	2012	2013	2012
Mailing expenses	13,262	11,135	42,259	37,536
Software amortisation expenses	16,382	19,696	47,703	58,122
Legal expenses	47,426	41,370	127,939	109,376
Transportation expenses	25,693	21,933	72,350	63,726
Advertising and business promotion expenses	23,453	70,785	65,538	123,495
Others	60,462	45,261	158,711	170,445
Total	186,678	210,180	514,500	562,700

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Mailing expenses	17	21	232	278
Software amortisation expenses	6,682	6,381	17,993	18,706
Transportation expenses	2,026	2,171	6,258	6,038
Advertising expenses	41	15,956	417	37,590
Investment property depreciation expenses	3,339	3,330	9,909	9,918
Others	15,333	14,229	25,017	25,733
Total	27,438	42,088	59,826	98,263

3.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2013 and 2012 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	
	2013	2012	2013	2012
Current income tax:				
Income tax expenses for the periods	307,940	208,538	865,908	617,465
Adjustment in respect of current income tax of previous year	-	-	(16)	1,398
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(15,215)	62,465	14,445	158,823
Income tax expenses reported in statements of comprehensive income	292,725	271,003	880,337	777,686

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
Current income tax:				
Income tax expenses for the periods	18,119	23,251	51,268	73,832
Adjustment in respect of current income tax of previous year	-	-	(950)	1,172
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	477	169	7,451	862
Income tax expenses reported in statements of comprehensive income	18,596	23,420	57,769	75,866

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
Other comprehensive income				
Gains (losses) on translation adjustment of financial statement in foreign operations	381	(1,408)	1,069	(1,185)
Investment in available-for-sale securities:				
Gains (losses) during the periods	39,154	116,060	(108,799)	150,781
Less: Reclassification adjustments for (gains) losses included in profit or loss	212	(36)	(233,942)	(1,208)
	39,366	116,024	(342,741)	149,573
Actuarial gains (losses)	-	-	7,785	(20,034)
Cash flow hedges:				
Gains (losses) during the periods	(10,526)	56,352	(17,425)	(26,335)
Less: Reclassification adjustments for (gains) losses included in profit or loss	-	21	-	(91,376)
	(10,526)	56,373	(17,425)	(117,711)
Other comprehensive income	29,221	170,989	(351,312)	10,643
Income tax related to components of other comprehensive income	(5,768)	(34,479)	68,082	(2,424)
Other comprehensive income for the periods - net	23,453	136,510	(283,230)	8,219

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2013	2012	2013	2012
Other comprehensive income				
Investment in available-for-sale securities:				
Gains (losses) during the periods	77,423	-	(94,664)	-
Less: Reclassification adjustments for (gains) losses included in profit or loss	-	-	-	-
	77,423	-	(94,664)	-
Actuarial gain (losses)	-	-	5,112	(3,761)
Other comprehensive income	77,423	-	(89,552)	(3,761)
Income tax relating to components of other comprehensive income	(15,484)	-	17,910	752
Other comprehensive income for the periods - net	61,939	-	(71,642)	(3,009)

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					
	2013			2012		
	Tax		Tax			
	Before tax	(expense)	Before tax	(expense)	Before tax	(expense)
	amount	benefit	amount	benefit	amount	benefit
		Net of tax		Net of tax		Net of tax
		amount		amount		amount
Surplus on change in value of investments	39,366	(7,873)	31,493	116,024	(23,205)	92,819
Cash flow hedges	(10,526)	2,105	(8,421)	56,373	(11,274)	45,099
	28,840	(5,768)	23,072	172,397	(34,479)	137,918

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Surplus (deficit) on change in value of investments	(342,741)	66,151	(276,590)	149,573	(29,914)	119,659
Actuarial gains (losses)	7,785	(1,554)	6,231	(20,034)	3,947	(16,087)
Cash flow hedges	(17,425)	3,485	(13,940)	(117,711)	23,543	(94,168)
	<u>(352,381)</u>	<u>68,082</u>	<u>(284,299)</u>	<u>11,828</u>	<u>(2,424)</u>	<u>9,404</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 September						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Surplus on change in value of investments	77,423	(15,484)	61,939	-	-	-
	<u>77,423</u>	<u>(15,484)</u>	<u>61,939</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Unit: Thousand Baht)

Separate financial statements						
For the nine-month periods ended 30 September						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Deficit on change in value of investments	(94,664)	18,933	(75,731)	-	-	-
Actuarial gains (losses)	5,112	(1,023)	4,089	(3,761)	752	(3,009)
	<u>(89,552)</u>	<u>17,910</u>	<u>(71,642)</u>	<u>(3,761)</u>	<u>752</u>	<u>(3,009)</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		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Profit attributable to equity holders of the Company (Thousand Baht)	1,131,997	952,979	3,444,638	2,709,374
Weighted average number of shares (Thousand shares)	800,655	727,912	753,226	727,912
Basic earnings per share (Baht/share)	1.40	1.31	4.57	3.72

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2013	2012	2013	2012
Profit attributable to equity holders of the Company (Thousand Baht)	68,649	76,702	227,094	245,825
Weighted average number of shares (Thousand shares)	800,655	727,912	753,226	727,912
Basic earnings per share (Baht/share)	0.08	0.11	0.30	0.34

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January 2013	Increase	Decrease	As at 30 September 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	1,940,055	(1,829,785)	676,254
Loans:				
Hi-Way Co., Ltd.	1,196,000	129,000	(55,000)	1,270,000
TISCO Leasing Co., Ltd.	2,645,000	670,000	(550,000)	2,765,000
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	73,003	(72,878)	87,418
TISCO Learning Center Co., Ltd.	104	1,160	(339)	925
Deutsche TISCO Investment Advisory Co., Ltd.	1,250	7,500	(1,250)	7,500
All-Ways Co., Ltd.	-	120	(120)	-
Interbank and money market items (Liabilities):				
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 Securities Co., Ltd.	-	151	(120)	31
TISCO Learning Center Co., Ltd.	88	385	(4)	469

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2013	2012	2013	2012	
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	440,356	395,813	1,234,642	1,141,053	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	42,708	19,978	135,111	51,739	With reference to the terms and prices as offered to other customers
Rental income	16,118	16,030	48,425	46,872	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	42,500	40,000	127,500	120,000	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	-	696	601	1,172	With reference to the terms and prices as offered to other customers
Training expenses	1,153	1,358	2,142	2,507	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	
	30 September 2013	31 December 2012
Loans ⁽¹⁾	27,169	29,927

⁽¹⁾ Including employee welfare loan and normal loan

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 September 2013	31 December 2012
Deposits	131,203	195,678

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries had short-term benefit expenses 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			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
	Short-term benefit	60	54	169
Post-employment benefit	1	1	4	4
Other long-term benefit	-	-	74	75
Total	61	55	247	263

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2013	2012	2013	2012
	Short-term benefit	31	34	103
Post-employment benefit	1	1	3	2
Other long-term benefit	-	-	50	50
Total	32	35	156	181

3.27 Segment information

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

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through the TISCO Bank Public Company Limited headquarters and its branches.
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		Asset		Total segments	Adjustments and elimination	Consolidated
	banking	Securities	management	Support			
	business	business	business	business			
Segment assets							
As at 30 September 2013	334,145	4,327	541	23,728	362,741	(24,350)	338,391
As at 31 December 2012	284,893	5,019	601	23,312	313,825	(23,328)	290,497

(Unit: Million Baht)

For the three-month period ended 30 September 2013	Commercial		Asset		Total segments	Adjustments and elimination	Consolidated
	banking	Securities	management	Support			
	business	business	business	business			
Revenue							
External customers	3,400	249	197	(49)	3,797	-	3,797
Inter - segment	(28)	98	-	618	688	(688)	-
Total revenue	3,372	347	197	569	4,485	(688)	3,797

(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 30 September 2013							
Operating results:							
Net interest income	2,318	10	2	(13)	2,317	-	2,317
Net fee and service income	819	326	194	117	1,456	(234)	1,222
Other operating income	235	11	1	465	712	(454)	258
Total operating income	3,372	347	197	569	4,485	(688)	3,797
Depreciation and amortisation	(224)	(20)	(7)	(113)	(364)	120	(244)
Other operating expenses	(1,198)	(222)	(108)	(360)	(1,888)	569	(1,319)
Bad debt, doubtful accounts and impairment losses	(778)	-	-	-	(778)	-	(778)
Total operating expenses	(2,200)	(242)	(115)	(473)	(3,030)	689	(2,341)
Segment profit	1,172	105	82	96	1,455	1	1,456
Income tax expense							(293)
Non-controlling interests of the subsidiaries							(31)
Profit for the period - equity holders of the Company							1,132

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the nine-month period ended 30 September 2013							
Revenue							
External customers	10,315	1,151	652	(163)	11,955	-	11,955
Inter - segment	(111)	313	1	1,784	1,987	(1,987)	-
Total revenue	10,204	1,464	653	1,621	13,942	(1,987)	11,955
Operating results:							
Net interest income	6,650	27	6	(34)	6,649	-	6,649
Net fee and service income	2,534	1,187	643	348	4,712	(708)	4,004
Other operating income	1,020	250	4	1,307	2,581	(1,279)	1,302
Total operating income	10,204	1,464	653	1,621	13,942	(1,987)	11,955
Depreciation and amortisation	(671)	(64)	(19)	(332)	(1,086)	357	(729)
Other operating expenses	(3,797)	(804)	(337)	(979)	(5,917)	1,640	(4,277)
Bad debt, doubtful accounts and impairment losses	(2,528)	-	-	-	(2,528)	-	(2,528)
Total operating expenses	(6,996)	(868)	(356)	(1,311)	(9,531)	1,997	(7,534)
Segment profit	3,208	596	297	310	4,411	10	4,421
Income tax expense							(880)
Non-controlling interests of the subsidiaries							(96)
Profit for the period - equity holders of the Company							3,445

(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 30 September 2012							
Revenue							
External customers	3,119	229	217	(38)	3,527	-	3,527
Inter-segment	(22)	5	-	545	528	(528)	-
Total revenue	3,097	234	217	507	4,055	(528)	3,527
Operating results:							
Net interest income	1,828	7	1	(13)	1,823	-	1,823
Net fee and service income	658	196	215	108	1,177	(117)	1,060
Other operating income	611	31	1	412	1,055	(411)	644
Total operating income	3,097	234	217	507	4,055	(528)	3,527
Depreciation and amortisation	(207)	(19)	(7)	(109)	(342)	111	(231)
Other operating expenses	(1,449)	(119)	(100)	(284)	(1,952)	420	(1,532)
Bad debt, doubtful accounts and impairment losses	(532)	-	-	-	(532)	-	(532)
Total operating expenses	(2,188)	(138)	(107)	(393)	(2,826)	531	(2,295)
Segment profit	909	96	110	114	1,229	3	1,232
Income tax expense							(271)
Non-controlling interests of the subsidiaries							(8)
Profit for the period - equity holders of the Company							953

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the nine-month period ended 30 September 2012							
Revenue							
External customers	8,446	600	561	(85)	9,522	-	9,522
Inter-segment	(60)	17	-	1,567	1,524	(1,524)	-
Total revenue	8,386	617	561	1,482	11,046	(1,524)	9,522
Operating results:							
Net interest income	5,118	20	4	(25)	5,117	-	5,117
Net fee and service income	1,816	543	555	315	3,229	(335)	2,894
Other operating income	1,452	54	2	1,192	2,700	(1,189)	1,511
Total operating income	8,386	617	561	1,482	11,046	(1,524)	9,522
Depreciation and amortisation	(626)	(54)	(20)	(318)	(1,018)	332	(686)
Other operating expenses	(3,689)	(355)	(289)	(809)	(5,142)	1,196	(3,946)
Bad debt, doubtful accounts and impairment losses	(1,383)	-	-	-	(1,383)	-	(1,383)
Total operating expenses	(5,698)	(409)	(309)	(1,127)	(7,543)	1,528	(6,015)
Segment profit	2,688	208	252	355	3,503	4	3,507
Income tax expense							(778)
Non-controlling interests of the subsidiaries							(20)
Profit for the period - equity holders of the Company							2,709

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 September 2013			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	362,695	46	(24,350)	338,391
Interbank and money market items (assets)	44,651	46	(3,091)	41,605
Investments - net	9,991	-	-	9,991
Loans to customers and accrued interest receivables - net	283,559	-	(4,035)	279,524
Deposits	258,445	-	(1,228)	257,217
Interbank and money market items (liabilities)	17,424	-	(1,865)	15,559
Debt issued and borrowings	37,769	-	(4,035)	33,734

(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 30 September 2013				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	4,998	-	(54)	4,944
Interest expenses	(2,681)	-	54	(2,627)
Interest income - net	2,317	-	-	2,317
Net fee and service income	1,456	-	(234)	1,222
Other operating income	712	-	(454)	258
Total operating income	4,485	-	(688)	3,797
Other operating expenses	(2,252)	-	689	(1,563)
Bad debt, doubtful accounts and impairment				
losses of debt securities	(778)	-	-	(778)
Income tax expense	(293)	-	-	(293)
Non-controlling interest of the subsidiaries	-	-	(31)	(31)
Profit equity holders of the Company	1,162	-	(30)	1,132

(Unit: Million Baht)

Consolidated financial statements				
For the nine-month period ended 30 September 2013				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	14,344	-	(167)	14,177
Interest expenses	(7,695)	-	167	(7,528)
Interest income - net	6,649	-	-	6,649
Net fee and service income	4,712	-	(708)	4,004
Other operating income	2,581	-	(1,279)	1,302
Total operating income	13,942	-	(1,987)	11,955
Other operating expenses	(7,002)	(1)	1,997	(5,006)
Bad debt, doubtful accounts and impairment				
losses of debt securities	(2,528)	-	-	(2,528)
Income tax expense	(880)	-	-	(880)
Non-controlling interest of the subsidiaries	-	-	(96)	(96)
Profit equity holders of the Company	3,532	(1)	(86)	3,445

(Unaudited but reviewed)

(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 of debt securities	(532)	-	-	(532)
Income tax expense	(271)	-	-	(271)
Non-controlling interest of the subsidiaries	-	-	(8)	(8)
Profit equity holders of the Company	958	-	(5)	953

(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 of debt securities	(1,383)	-	-	(1,383)
Income tax expense	(778)	-	-	(778)
Non-controlling interest of the subsidiaries	-	-	(20)	(20)
Profit equity holders of the Company	2,726	(1)	(16)	2,709

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 nine-month periods ended 30 September 2013 and 2012, the Company and its subsidiaries paid provident fund contributions totaling Baht 94 million and Baht 84 million, respectively (the Company only: Baht 15 million and Baht 13 million, respectively).

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 September 2013	31 December 2012
Avals	148,044	155,388
Other guarantees	874,429	722,348
Undrawn client overdraft facilities	50,171	47,905
Interest rate swap agreements	2,526,869	3,032,000
Cross currency swap agreements	3,556,228	3,702,570
	<u>7,155,741</u>	<u>7,660,211</u>

3.30.2 Litigation

As at 30 September 2013 and 31 December 2012, the subsidiary has been sued for compensation totaling approximately Baht 361 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 12 years.

As at 30 September 2013 and 31 December 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

	(Unit: Million Baht)	
	As at	
	30 September 2013	31 December 2012
Payable within:		
Not over 1 year	133	110
Over 1 to 5 years	108	128
Over 5 years	4	-

4. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend payment
		Preference	Ordinary	dividend paid	period
		share	share		
		(Baht per share)	(Baht per share)	(Million Baht)	
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>	
Annual dividends for 2012	The 2013 Annual General Meeting of the Shareholders on 25 April 2013	2.40	2.40	1,746	May 2013
Total dividend payment in year 2013				<u>1,746</u>	

5. Significant events during the period

5.1 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 99.97%. 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 Company Limited No. 1/2013, on 29 March 2013, approved a 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 Company Limited". On 29 March 2013, the company registered the amendment of its memorandum of association with the Ministry of Commerce.

5.2 Share capital

a) Issuance and allocation of Transferable Subscription Rights (TSRs)

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

Following the exercise of TSRs on 26 June, 2013, 72,743,397 additional shares had been allocated, 2 additional shares were unallocated, and 47,810 units of TSRs had not been allocated to shareholders due to holding of incorrect type of shares according to shareholder's nationality. The Company registered the correspondingly increase in its paid-up capital to Baht 8,006,554,830 with Ministry of Commerce on 28 June 2013. Paid-up capital consists of 800,621,625 common shares and 33,858 preferred shares, both with par value of Baht 10 per share.

b) Reduction of the Company's registered capital by cancelling unissued preferred shares

The Annual General Meeting of the Company's shareholders for the year 2013, convened on 25 April 2013, passed the resolutions 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 common shares of Baht 10 each.

c) Increase in the Company's registered capital to support the exercise of the Transferable Subscription Rights (TSRs)

The Annual General Meeting of the Company's shareholders for the year 2013, convened on 25 April 2013, passed resolutions 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 in the Company's registered capital, the meeting approved an 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 common shares of Baht 10 each. On 28 June 2013, the Company registered the increase in its registered share capital and the amendment of its memorandum of association with the Ministry of Commerce.

5.3 Increase of the subsidiary's registered capital

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 resolution approving the increase of the Bank's registered capital in order to accommodate the allocation of new common shares to the existing shareholders of the Bank named in the share register as of 7 May 2013, pro rata to their shareholding. 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, to be allocated in a ratio of 1 new share for every 8 existing shares (both common and preferred shares), at an offer price of Baht 20.88 per share, for a total of approximately 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.

On 28 May 2013, the Bank registered the increase in its registered share capital with the Ministry of Commerce.

6. Events after the reporting period

Refund of capital from a subsidiary company

On October 2013, TISCO Bank Plc. received the return of share capital amounting to Baht 40 million as a result of the dissolution of TISCO Securities Hong Kong Limited (a subsidiary company).

7. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 12 November 2013.