

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2013



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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 June 2013, the related consolidated statements of comprehensive income for the three-month and six-month period ended 30 June 2013, changes in shareholders' equity, and cash flows for the six-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 be 'R. Jala'.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

Ernst & Young Office Limited

Bangkok: 9 August 2013

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		983,015	1,046,330	70	50
Interbank and money market items - net		32,376,495	31,196,279	2,505,778	565,984
Derivatives assets	3.2	28,797	41,863	-	-
Investments - net	3.3, 3.7	7,640,489	7,015,518	653,417	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		308,947,547	273,311,973	4,370,000	3,841,000
Accrued interest receivables		393,600	352,769	-	-
Total loans to customers and accrued interest receivables		309,341,147	273,664,742	4,370,000	3,841,000
Less: Deferred revenue		(28,389,116)	(24,996,296)	-	-
Less: Allowance for doubtful accounts	3.6	(5,913,143)	(5,121,518)	-	-
Less: Allowance for loss on debt restructuring		(3)	(3)	-	-
Loans to customers and accrued interest receivables - net		275,038,885	243,546,925	4,370,000	3,841,000
Property foreclosed - net		97,783	272,533	-	-
Investment properties - net		8	304	356,621	363,191
Premises and equipment - net		1,326,179	1,384,381	340,192	365,160
Intangible assets - net		105,656	126,709	37,680	45,208
Deferred tax assets		341,688	306,126	217,802	191,381
Securities and derivatives business receivables - net		2,643,806	2,223,792	-	-
Dividend receivable from subsidiaries		-	-	-	1,832,654
Other assets	3.8	3,386,458	3,336,175	77,457	126,988
Total assets		323,969,259	290,496,935	25,482,892	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 June 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	238,092,948	219,823,339	-	-
Interbank and money market items - net		18,910,844	13,970,608	-	200,000
Liability payable on demand		467,283	652,310	-	-
Payable under securities borrowing and lending business		-	163	-	-
Derivatives liabilities	3.2	129,561	747	-	-
Debts issued and borrowings	3.10	34,727,562	27,877,250	8,619,072	6,311,631
Provision for long-term employee benefits	3.11	304,392	324,357	65,664	71,086
Deferred tax liabilities		154,054	158,583	-	-
Securities and derivatives business payables		2,920,358	1,523,645	-	-
Accrued interest payable		2,025,307	1,773,793	49,472	31,087
Income tax payable		428,278	428,307	11,558	66,129
Other liabilities	3.12	5,361,922	5,583,583	970,436	744,487
Total liabilities		303,522,509	272,116,685	9,716,202	7,424,420

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

TISCO Financial Group Public Company Limited and its subsidiaries

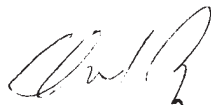
Statement of financial position (continued)

As at 30 June 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2013 (Unaudited but reviewed)	31 December 2012 (Audited)	30 June 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	730,275	1,040,375	(126,099)	11,571
Retained earnings				
Appropriated-statutory reserve	405,200	405,200	405,200	405,200
Unappropriated	10,045,743	9,471,665	449,511	2,032,821
Equity attributable to owners of the Company	<u>20,206,181</u>	<u>18,196,361</u>	<u>15,766,690</u>	<u>15,741,828</u>
Non-controlling interest of the subsidiaries	240,569	183,889	-	-
Total shareholders' equity	<u>20,446,750</u>	<u>18,380,250</u>	<u>15,766,690</u>	<u>15,741,828</u>
Total liabilities and shareholders' equity	<u>323,969,259</u>	<u>290,496,935</u>	<u>25,482,892</u>	<u>23,166,248</u>

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



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



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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 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	4,766,056	3,616,814	50,491	18,616
Interest expenses	3.15	(2,537,047)	(1,888,220)	(63,574)	(26,690)
Net interest income		2,229,009	1,728,594	(13,083)	(8,074)
Fees and service income		1,268,152	974,066	-	-
Fees and service expenses		(58,597)	(50,363)	(3,392)	(1,946)
Net fees and service income	3.16	1,209,555	923,703	(3,392)	(1,946)
Net gains on trading and foreign exchange transactions	3.17	69,767	146,271	47,624	-
Net gains (losses) on investments	3.18	86,719	13,935	-	(1)
Dividend income		44,598	29,201	-	-
Penalty fee income from loans		71,582	64,347	-	-
Income from business promotion relating to the hire purchase business		179,170	257,878	-	-
Intercompany supporting fee income	3.26	-	-	362,819	367,733
Other operating income	3.20, 3.26	12,081	32,091	16,588	16,865
Total operating income		3,902,481	3,196,020	410,556	374,577
Expenses from business promotion relating to the hire purchase business		217,574	241,071	-	-
Total net operating income		3,684,907	2,954,949	410,556	374,577
Other operating expenses					
Employee's expenses		946,412	777,527	178,555	160,168
Directors' remuneration		3,110	3,185	2,950	2,945
Premises and equipment expenses		223,634	209,484	85,265	81,383
Taxes and duties		55,000	18,180	1,610	(4)
Other operating expenses	3.21	156,945	170,532	17,283	20,230
Total other operating expenses		1,385,101	1,178,908	285,663	264,722
Bad debt, doubtful accounts and impairment losses	3.19	810,134	591,333	-	-
Profit from operating before income tax expenses		1,489,672	1,184,708	124,893	109,855
Income tax expenses	3.22	303,186	258,517	25,596	26,792
Profit for the period		1,186,486	926,191	99,297	83,063

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 June 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 arising from translating the financial statements of a foreign operation	2,641	1,452	-	-
Investment in available-for-sale securities	(320,109)	(59,713)	(137,332)	-
Actuarial gains (losses)	7,785	(20,034)	5,112	(3,761)
Cash flow hedges	(31,901)	(123,022)	-	-
Income tax effect	3.22, 3.24	71,433	40,494	26,444
Other comprehensive income for the period		(270,151)	(160,823)	(105,776)
Total comprehensive income for the period		916,335	765,368	(6,479)
Profit attributable to:				
Equity holders of the Company	3.25	1,159,138	919,734	99,297
Non-controlling interests of the subsidiaries		27,348	6,457	
Total comprehensive income attributable to:		1,186,486	926,191	
Equity holders of the Company		903,053	765,025	(6,479)
Non-controlling interests of the subsidiaries		13,282	343	
		916,335	765,368	
Earnings per share of equity holders of the Company				
Basic earnings per share	3.25	1.59	1.26	0.14
		0.11		

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 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	9,233,021	7,030,200	92,504	31,864
Interest expenses	3.15	(4,900,664)	(3,735,994)	(114,581)	(45,206)
Net interest income		4,332,357	3,294,206	(22,077)	(13,342)
Fees and service income		2,907,344	1,944,844	-	-
Fees and service expenses		(124,902)	(110,206)	(5,678)	(3,966)
Net fees and service income	3.16	2,782,442	1,834,638	(5,678)	(3,966)
Net gains on trading and foreign exchange transactions	3.17	34,359	121,419	12,767	-
Net gains (losses) on investments	3.18	252,796	24,502	-	(7)
Dividend income		78,863	61,232	2,205	2,205
Penalty fee income from loans		137,971	129,654	-	-
Income from business promotion relating to the hire purchase business		513,764	469,041	-	-
Intercompany supporting fee income	3.26	-	-	794,285	745,240
Other operating income	3.20, 3.26	25,142	60,422	33,278	31,871
Total operating income		8,157,694	5,995,114	814,780	762,001
Expenses from business promotion relating to the hire purchase business		608,101	537,332	-	-
Total net operating income		7,549,593	5,457,782	814,780	762,001
Other operating expenses					
Employee's expenses		1,943,116	1,473,617	408,355	317,488
Directors' remuneration		6,420	6,760	6,020	6,280
Premises and equipment expenses		452,279	416,604	168,786	159,052
Taxes and duties		104,115	81,282	1,614	1,437
Other operating expenses	3.21	327,817	352,521	32,387	56,176
Total other operating expenses		2,833,747	2,330,784	617,162	540,433
Bad debt, doubtful accounts and impairment losses	3.19	1,750,226	851,140	-	-
Profit from operating before income tax expenses		2,965,620	2,275,858	197,618	221,568
Income tax expenses	3.22	587,612	506,683	39,173	52,445
Profit for the period		2,378,008	1,769,175	158,445	169,123

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 six-month period ended 30 June 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 arising from translating the financial statements of a foreign operation		688	223	-	-
Investment in available-for-sale securities		(382,107)	33,549	(172,088)	-
Actuarial gains (losses)		7,785	(20,034)	5,112	(3,761)
Cash flow hedges		(6,899)	(174,085)	-	-
Income tax effect	3.22, 3.24	73,850	32,055	33,395	752
Other comprehensive income for the period		<u>(306,683)</u>	<u>(128,292)</u>	<u>(133,581)</u>	<u>(3,009)</u>
Total comprehensive income for the period		<u>2,071,325</u>	<u>1,640,883</u>	<u>24,864</u>	<u>166,114</u>
Profit attributable to:					
Equity holders of the Company	3.25	2,312,641	1,756,394	158,445	169,123
Non-controlling interests of the subsidiaries		65,367	12,781		
		<u>2,378,008</u>	<u>1,769,175</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		2,009,823	1,646,505	24,864	166,114
Non-controlling interests of the subsidiaries		61,502	(5,622)		
		<u>2,071,325</u>	<u>1,640,883</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	<u>3.17</u>	<u>2.41</u>	<u>0.22</u>	<u>0.23</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from operating activities				
Profit before income tax	2,965,620	2,275,858	197,618	221,568
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	145,831	159,406	47,785	52,400
Bad debts and doubtful accounts	2,166,255	1,207,981	-	-
Allowance for impairment of investments (reversal)	(567)	194	-	7
Allowance for impairment of property foreclosed	571	21	-	-
Gain on disposal of securities investments	(253,801)	(24,056)	-	-
Unrealised gain on foreign exchange transactions and trading derivatives	(20,972)	(9,496)	(12,767)	-
Gain on disposal of equipment	(1,184)	(2,064)	(2)	-
Loss from written-off of equipment and intangible assets	-	1,888	-	-
Unrealised (gain) loss from trading securities	1	(3,295)	-	-
(Gain) loss on disposal of property foreclosed	1,155	(30,364)	-	-
Gain on cash flow hedge	-	(100,761)	-	-
Provision for long-term employee benefits	(2,441)	16,700	460	2,906
Decrease (increase) in accrued income	69,621	(2,303)	62,648	(73,627)
Increase in accrued expenses	605,187	334,524	225,950	40,401
Net interest income	(4,332,357)	(3,294,206)	22,077	13,342
Dividend income	(78,863)	(61,232)	(2,205)	(2,205)
Cash received on interest income	9,079,386	7,020,185	91,964	30,536
Cash paid on interest expenses	(4,072,160)	(3,368,992)	(96,196)	(35,112)
Cash received on dividend income	77,306	58,695	1,834,859	737,522
Cash paid on income tax expenses	(560,531)	(219,326)	(86,769)	(71,562)
Profit from operating activities before changes in operating assets and liabilities	5,788,057	3,959,357	2,285,422	916,176
Operating assets (increase) decrease				
Interbank and money market items	(1,175,343)	16,046,590	(1,939,794)	(758,450)
Loans to customers	(34,849,848)	(26,745,903)	(529,000)	(89,000)
Securities and derivative business receivables	(420,014)	(492,048)	-	-
Properties foreclosed	1,527,483	834,305	-	-
Other assets	296,344	(774,953)	(12,554)	(1,071)
Operating liabilities increase (decrease)				
Deposits	18,269,609	43,448,756	-	-
Interbank and money market items	4,588,769	(1,705,122)	(200,000)	-
Liability payable on demand	(185,027)	308,067	-	-
Securities and derivative business payables	1,396,713	765,976	-	-
Short-term debts issued and borrowings	6,853,511	(34,478,380)	2,307,441	1,698,114
Other liabilities	(1,325,182)	140,542	(769)	(13,977)
Net cash flows from operating activities	765,072	1,307,187	1,910,746	1,751,792

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the six-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(2,952,186)	(1,623,359)	-	-
Cash received from disposal of investment in securities held for investment	2,209,600	1,036,346	-	-
Cash paid for purchase of equipment	(82,405)	(85,331)	(4,978)	(37,945)
Cash paid for purchase of intangible assets	(10,267)	(15,607)	(3,782)	(3,274)
Cash received from disposal of equipment	9,386	3,643	17	-
Cash paid for acquisition of a subsidiaries	-	-	(1,901,980)	-
Net cash flows used in investing activities	(825,872)	(684,308)	(1,910,723)	(41,219)
Cash flows from financing activities				
Long-term debts issued and borrowings	(3,200)	976,800	-	-
Cash received from issuance of long-term debentures	-	1,000,000	-	-
Cash paid for redemption of long-term debentures	-	(1,000,000)	-	-
Dividend paid	(1,745,845)	(1,710,573)	(1,745,845)	(1,710,573)
Cash received from increase in share capital	1,745,842	-	1,745,842	-
Net cash flows used in financing activities	(3,203)	(733,773)	(3)	(1,710,573)
Translation adjustment	688	223	-	-
Net increase (decrease) in cash	(63,315)	(110,671)	20	-
Cash at beginning of period	1,046,330	903,450	50	50
Cash at end of period	983,015	792,779	70	50
	-	-	-	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 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		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	of entities under common control under holding restructuring plan	Appropriated		Unappropriated				
Balance as at 1 January 2012		339	7,278,782	-	139,135	97,374	83,262	679,266	999,037	297,900	7,634,389	16,210,447	101,145	16,311,592	
Dividend paid	4	-	-	-	-	-	-	-	-	-	(1,710,574)	(1,710,574)	-	(1,710,574)	
Total comprehensive income for the period		-	-	-	26,839	(120,578)	223	-	(93,516)	-	1,740,021	1,646,505	(5,622)	1,640,883	
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(916)	(916)	
Balance as at 30 June 2012		339	7,278,782	-	165,974	(23,204)	83,485	679,266	905,521	297,900	7,663,836	16,146,378	94,607	16,240,985	
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		-	-	-	(308,084)	(2,704)	688	-	(310,100)	-	2,319,923	2,009,823	61,502	2,071,325	
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 June 2013		339	8,006,216	1,018,408	(29,677)	(1,797)	82,483	679,266	730,275	405,200	10,045,743	20,206,181	240,569	20,446,750	

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 six-month period ended 30 June 2013

(Unit: Thousand Baht)

Separate financial statements											
		Issued and paid-up		Share premium		Other components of equity	Other comprehensive income	Surplus (deficit) on change in value of available-for-sale investments	Retained earnings	Total	
	Note	Preference shares	Ordinary shares	Preference shares	Ordinary shares				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		-	-	-	-	-	-	-	-	166,114	166,114
Balance as at 30 June 2012		<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>297,900</u>	<u>170,932</u>	<u>13,761,068</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		-	-	-	-	(137,670)	-	-	-	162,535	24,865
Increase share capital	5.2	-	727,434	-	1,018,408	-	-	-	-	-	1,745,842
Balance as at 30 June 2013		<u>339</u>	<u>8,006,216</u>	<u>298</u>	<u>7,031,225</u>	<u>(126,099)</u>	<u>-</u>	<u>-</u>	<u>405,200</u>	<u>449,511</u>	<u>15,766,690</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 six-month period ended 30 June 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 Application of new accounting standards during the period

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

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

1.4 New accounting standards not yet effective

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

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

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

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

1.5 Significant accounting policies

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

2. General information

2.1 The Company's information

TISCO Financial Group Public Company Limited (“the Company”) was incorporated as a holding company. The Company is the parent company of TISCO Group. Its registered address is 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

2.2 Related party transactions

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

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

The Company and its subsidiaries have not granted credit to companies of which at least 10 percent of the common shares of paid up capital are held by the Company.

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 30 June 2013 and 31 December 2012 is provided below.

		(Unit: Percent)		
Company's name	Nature of Business	Country of incorporation	Percentage of shares held by the Company as at	
			30 June 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 June 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	129,153	3,112,710	14,882	-	3,063,160
Interest rate	28,797	-	3,032,000	26,981	-	3,032,000
Total	28,797	129,153	6,144,710	41,863	-	6,095,160

All counter parties of these derivative transactions are financial institutions.

3.2.2 Hedging derivatives

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

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	30 June 2013			31 December 2012		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	408	491,245	-	747	639,410
Total	-	408	491,245	-	747	639,410

All counter parties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by types of investment

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2013	31 December 2012
Trading securities - fair value		
Domestic marketable equity securities	117	23
Less: Allowance for changes in value	(1)	-
Total trading securities	116	23
Available-for-sales securities - fair value		
Government and state enterprise securities	5,523,416	4,136,424
Debt securities of private sector	176,460	171,460
Domestic marketable equity securities	548,594	809,401
Other securities - domestic unit trusts	25,281	25,281
Other securities - foreign unit trusts	803,120	798,273
Add: Allowance for changes in value	51,632	413,829
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sales securities	7,127,043	6,353,208
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	-	49,929
Investment in receivables	87,247	186,847
Less: Allowance for impairment	(19,224)	(20,801)
Total held-to-maturity debt securities	68,023	215,975
Other investments - cost		
Domestic non-marketable equity securities	494,053	494,053
Less: Allowance for impairment	(48,746)	(47,741)
Total other investments	445,307	446,312
Investments - net	7,640,489	7,015,518
		(Unit: Thousand Baht)
	Separate financial statements as at	
	30 June 2013	31 December 2012
Available-for-sales securities - fair value		
Other securities - foreign unit trusts	811,040	798,273
Add (Less): Allowance for changes in value	(157,623)	14,464
Investments - net	653,417	812,737

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

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 June 2013				31 December 2012			
	Due within				Due within			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale securities								
Government and state								
enterprise securities	5,521	2	-	5,523	4,133	3	-	4,136
Debt securities of private								
sector	71	105	-	176	142	30	-	172
Total	5,592	107	-	5,699	4,275	33	-	4,308
Add: Allowance for changes								
in value	1	-	-	1	4	-	-	4
Less: Allowance for								
impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	5,592	107	-	5,699	4,278	33	-	4,311
Held-to-maturity debt securities								
Government and state								
enterprise securities	-	-	-	-	50	-	-	50
Investment in receivables	74	13	-	87	129	58	-	187
Less: Allowance for								
impairment	(19)	-	-	(19)	(16)	(5)	-	(21)
Total	55	13	-	68	163	53	-	216
Total debt securities	5,647	120	-	5,767	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 June 2013	31 December 2012	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	1,332	-	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 June 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 June 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)	44,592	-	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.	5,697	-	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 six-month periods ended	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	30 June 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	-	-
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	2
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						16,924	15,022		

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 June 2013	31 December 2012
Loans to customers		
Loans	75,445,412	66,608,275
Hire purchase receivables	226,778,629	201,220,750
Financial lease receivables	7,427,297	6,020,564
Less: Deferred revenue	(28,389,116)	(24,996,296)
Advances received from financial lease receivables	(703,791)	(537,616)
Total loans to customers	280,558,431	248,315,677
Add: Accrued interest receivables	393,600	352,769
Less: Allowance for doubtful accounts	(5,913,143)	(5,121,518)
Less: Allowance for loss on debt restructuring	(3)	(3)
Loans to customers and accrued interest receivables - net	275,038,885	243,546,925

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

as at

	30 June 2013	31 December 2012
Loans to customers		
Loans	4,370,000	3,841,000
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	4,370,000	3,841,000

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

Consolidated financial statements as at

	30 June 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	277,445,721	-	277,445,721	245,252,517	-	245,252,517
US Dollars	-	3,112,710	3,112,710	-	3,063,160	3,063,160
Total loans to customers						
net of deferred revenue	277,445,721	3,112,710	280,558,431	245,252,517	3,063,160	248,315,677

(Unit: Thousand Baht)

Separate financial statements as at

	30 June 2013			31 December 2012		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	4,370,000	-	4,370,000	3,841,000	-	3,841,000
Total loans to customers						
net of deferred revenue	4,370,000	-	4,370,000	3,841,000	-	3,841,000

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

(Unit: Million Baht)

	As at					
	30 June 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	252,076	232,556	3,174	224,020	204,454	2,752
- Special mention	13,915	13,712	1,017	12,195	11,873	1,024
- Sub-standard	2,349	2,323	698	1,861	1,845	556
- Doubtful	776	764	209	488	477	136
- Doubtful of loss	412	203	208	425	193	216
Allowance established in excess	-	-	111	-	-	4
Total	269,528	249,558	5,417	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 June 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 2,294 million (As at 31 December 2012: total of Baht 2,045 million). TISCO Bank allocated Baht 2,183 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 3,123 million (As at 31 December 2012: total of Baht 2,643 million), the total provision set aside in accordance with BOT requirements is Baht 5,306 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 June 2013	31 December 2012	30 June 2013	31 December 2012
Pass	0.70	0.77	1	1
Special mention	5.90	6.56	2	2
Sub-standard	23.72	24.24	100	100
Doubtful	23.84	24.65	100	100
Doubtful of loss	22.28	21.90	100	100

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

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

3.5.4 Hire purchase and financial lease receivables

As at 30 June 2013, net receivables of the subsidiaries under hire purchase and financial lease agreements amount to Baht 205,318 million (31 December 2012: Baht 181,900 million) and mostly comprise hire purchase agreements for cars, and financial lease agreement 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 June 2013					
Amounts of installments due under the long-term lease agreements					
	Less than			Non-performing	Total
	1 year	1 - 5 years	Over 5 years	loans	
Gross investment in the agreements	68,575	153,118	7,456	5,057	234,206
Less: Deferred revenue*	(11,115)	(15,636)	210	(1,643)	(28,184)
Advances received from financial lease receivables	(44)	(659)	-	(1)	(704)
Present value of minimum lease pay from agreements	57,416	136,823	7,666	3,413	205,318
Allowance for doubtful accounts**					(3,168)
Net hire purchase and financial lease receivables					202,150

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

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

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2012					
Amounts of installments due under the long-term lease agreements					
	Less than			Non-performing	Total
	1 year	1 - 5 years	Over 5 years	loans	
Gross investment in the agreements	61,807	134,904	6,579	3,951	207,241
Less: Deferred revenue*	(9,833)	(13,650)	110	(1,430)	(24,803)
Advances received from financial lease receivables	(30)	(505)	(2)	(1)	(538)
Present value of minimum lease pay from agreements	51,944	120,749	6,687	2,520	181,900
Allowance for doubtful accounts**					(2,915)
Net hire purchase and financial lease receivables					178,985

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

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

(Unaudited but reviewed)

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

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Loans to customers for which the recognition of interest income has ceased ⁽¹⁾	4,086	3,441	4,341	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 June 2013	31 December 2012
Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has ceased	532	333

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

(Unit: Million Baht)

	Consolidated financial statements	
	as at	
	30 June 2013	31 December 2012
Deferred revenue ⁽¹⁾	28,389	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 six-month periods	
	ended 30 June	
	2013	2012
Debtors restructured during the periods		
Number of debtors restructured by modification of terms (number)	69	83
Loan balances before restructuring (Million Baht)	38	75
Loan balances after restructuring (Million Baht)	38	75
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (periods)		
Hire purchase receivables	4	4
Mortgage loan receivables	2	5
Corporate loan receivables	-	5

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

	(Unit: Million Baht)	
	For the six-month periods	
	ended 30 June	
	2013	2012
Interest income on restructured receivables	21	28
Receipt of principal and interest	133	159

As at 30 June 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 June 2013		31 December 2012	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,010	668	1,135	735

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

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statement as at 30 June 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	402,652	33,821	434,308	1,137,772	46,475	107,229	2,162,257
Bad debt written-off	(571)	(15,813)	(247,138)	(1,041,534)	(65,576)	-	(1,370,632)
Balance - end of period	<u>3,350,860</u>	<u>1,130,054</u>	<u>818,214</u>	<u>273,639</u>	<u>229,707</u>	<u>110,669</u>	<u>5,913,143</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 June 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	518,827	1,536,201	107,229	2,162,257
Bad debt written-off	(105,240)	(1,265,392)	-	(1,370,632)
Balance - end of period	<u>2,669,172</u>	<u>3,133,302</u>	<u>110,669</u>	<u>5,913,143</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2012

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

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

(Unit: Million Baht)

	As at	
	30 June 2013	31 December 2012
Non-performing loans to customers	3,537	2,774
Allowance for doubtful accounts	1,115	908

3.7 Classification of assets

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

(Unit: Million Baht)

	Cost		Fair value		Allowance for possible loss provided in the accounts ⁽¹⁾	
	as at		as at		as at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

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

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

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

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

As at 30 June 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 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Pass	281,917	251,348	-	-	-	-	-	-	281,917	251,348
Special mention	13,744	12,045	-	-	-	-	-	-	13,744	12,045
Sub-standard	2,349	1,861	-	-	-	-	-	-	2,349	1,861
Doubtful	776	488	-	-	-	-	-	-	776	488
Doubtful of loss	412	425	72	72	19	21	19	18	522	536
Total	299,198	266,167	72	72	19	21	19	18	299,308	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 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Pass	178,466	159,472	178,466	159,472	0.70	0.77	1,252	1,227
Special mention	12,710	10,939	12,710	10,939	5.90	6.56	750	717
Sub-standard	2,131	1,707	2,131	1,707	23.72	24.24	505	414
Doubtful	731	452	731	452	23.84	24.65	174	111
Doubtful of loss	51	38	51	38	22.28	21.90	11	9
Total	194,089	172,608	194,089	172,608			2,692	2,478

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

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

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

(Unaudited but reviewed)

3.7.4 Loans to customers with weak financial position and operating results of a subsidiary company operating banking business

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at		as at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	2	2	240	250	133	142	145	132
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	-	-	-	-	-	-	-	-
5. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	2	2	240	250	133	142	145	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

	(Unit: Million Baht)					
	Securities business		Allowance		Allowance for doubtful	
	receivables and		for doubtful accounts		accounts provided	
	accrued interest		as required by SEC		in the accounts	
	as at		as at		as at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 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 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Pass	9,965	8,768	176	199	9,789	8,569
Special mention	888	556	113	92	775	464
Sub-standard	318	180	120	76	198	104
Doubtful	175	98	65	41	110	57
Doubtful of loss	37	46	20	25	17	21
Total	11,383	9,648	494	433	10,889	9,215

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Receivable from clearing house	476,251	136,065	-	-
Value added tax - net	1,441,546	1,551,171	5,763	6,256
Accrued interest receivable	56,862	31,867	-	-
Fee and service receivable	207,619	277,240	26,003	88,652
Refundable income tax and prepaid				
income tax	19,448	367,904	-	-
Deposits	45,871	41,403	4,079	4,080
Other receivables	472,076	594,595	17	-
Dividend receivable	1,557	-	-	-
Other assets	665,228	335,930	41,595	28,000
Total other assets	3,386,458	3,336,175	77,457	126,988

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 June 2013	31 December 2012
Deposits		
Current accounts	3,429,020	2,762,373
Savings accounts	23,091,793	28,140,151
Fixed accounts		
- not over 6 months	26,144,424	14,063,664
- over 6 months and less than 1 year	2,305,667	1,153,580
- over 1 year	164,929	167,791
Certificates of deposit/negotiable certificates of deposit	182,957,115	173,535,780
Total	<u>238,092,948</u>	<u>219,823,339</u>

3.9.2 Classified by the remaining period of contract

(Unit: Thousand Baht)

Consolidated financial statements
as at

	30 June 2013	31 December 2012
Not over 1 year*	237,705,726	219,591,744
Over 1 year	387,222	231,595
Total deposits	<u>238,092,948</u>	<u>219,823,339</u>

*Including fully-mature deposit contract

3.9.3 As at 30 June 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 June	31 December	30 June	31 December
	2013	2012	2013	2012
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	8,243,000	8,243,000	-	-
Unsubordinated unsecured debentures	12,100,000	5,828,200	-	-
Bills of exchange	14,383,765	13,805,253	8,619,072	6,311,631
Promissory notes	797	797	-	-
Total	34,727,562	27,877,250	8,619,072	6,311,631

3.10.1 Subordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
			30 June 2013	31 December 2012		30 June 2013	31 December 2012		
			(Units)	(Units)		(Million Baht)	(Million Baht)		
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.50 percent per annum in the first to third years, 6.00 percent per annum in the forth to seventh years and 6.50 percent per annum in the eighth to tenth years.
2009	TISCO Bank	Subordinated and unsecured long-term debentures	2 million	2 million	1,000	2,000	2,000	2019	5.00 percent per annum in the first to third years, 5.50 percent per annum in the forth to seventh years and 6.00 percent per annum in the eighth to tenth years.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	5.00 percent per annum.
2010	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2020	4.80 percent per annum.
2012	TISCO Bank	Subordinated and unsecured long-term debentures	1 million	1 million	1,000	1,000	1,000	2022	4.85 percent per annum.
2012	TISCO Bank	Subordinated and unsecured long-term debentures	1,243,000	1,243,000	1,000	1,243	1,243	2022	4.60 percent per annum.
Total						8,243	8,243		

3.10.2 Unsubordinated unsecured debentures

Year	Issuer	Type of debenture	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
			30 June 2013	31 December 2012		30 June 2013	31 December 2012		
			(Unit)	(Unit)		(Million Baht)	(Million Baht)		
2012	TISCO Bank	Unsubordinated and unsecured short- term debentures	-	4,324,300	1,000	-	4,324	2013	3.50 percent per annum
2012	TISCO Bank	Unsubordinated and unsecured short- term debentures	-	1 million	1,000	-	1,000	2013	3.50 percent per annum
2012	TISCO Bank	Unsubordinated and unsecured short- term debentures	-	503,900	1,000	-	504	2013	3.50 percent per annum
2013	TISCO Bank	Unsubordinated and unsecured short- term debentures	3 million	-	1,000	3,000	-	2014	3.15 percent per annum
2013	TISCO Bank	Unsubordinated and unsecured short- term debentures	3.5 million	-	1,000	3,500	-	2014	3.15 percent per annum
2013	TISCO Bank	Unsubordinated and unsecured short- term debentures	3 million	-	1,000	3,000	-	2014	3.10 percent per annum
2013	TISCO Bank	Unsubordinated and unsecured short- term debentures	2.6 million	-	1,000	2,600	-	2014	3.05 percent per annum
Total						<u>12,100</u>	<u>5,828</u>		

3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rates bearing and float interest rate bearing, which will gradually mature in 2013 to 2015. The interest rates of the fixed interest rates bearing bills of exchange are between 2.5 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 June 2013 and 31 December 2012 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at	
	30 June 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	242,830	205,141
Current service cost	9,156	22,468
Interest cost	4,084	8,342
Benefits paid during the period/year	-	(5,218)
Adjustment on actuarial losses (gains)	(7,785)	12,097
Defined post employment benefit obligation at end of period/year	248,285	242,830
Other long-term benefits	56,107	81,527
Total provision for long-term employee benefits at end of period/year	<u>304,392</u>	<u>324,357</u>

	(Unit: Thousand Baht)	
	Separate financial statements	
	as at	
	30 June 2013	31 December 2012
Defined post employment benefit obligation at beginning of period/year	59,889	49,069
Current service cost	1,705	3,866
Interest cost	1,024	1,745
Benefits paid during the period/year	-	-
Adjustment on actuarial losses (gains)	(5,112)	5,209
Defined post employment benefit obligation at end of period/year	57,506	59,889
Other long-term benefits	8,158	11,197
Total provision for long-term employee benefits at end of period/year	<u>65,664</u>	<u>71,086</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Current service cost	4,367	7,303	11,891	12,579
Interest cost	2,032	2,153	4,806	4,121
Adjustment on actuarial gains	(19,138)	-	(19,138)	-
Total employee benefits expenses	<u>(12,739)</u>	<u>9,456</u>	<u>(2,441)</u>	<u>16,700</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Current service cost	986	1,085	2,181	2,033
Interest cost	634	393	1,162	873
Adjustment on actuarial gains	(2,883)	-	(2,883)	-
Total employee benefits expenses	<u>(1,263)</u>	<u>1,478</u>	<u>460</u>	<u>2,906</u>

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Discount rate	3.42 - 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 June 2013	31 December 2012	30 June 2013	31 December 2012
Payable to clearing housing	184,399	852,369	-	-
Withholding income tax and other tax payable	116,454	353,942	11,451	61,177
Accrued insurance premium	553,244	885,727	-	-
Deferred income	685,752	550,733	-	-
Accrued expenses	2,931,763	2,089,089	958,924	683,250
Suspense creditors	529,137	579,873	-	-
Other payables	-	59,271	-	-
Other liabilities	361,173	212,579	61	60
Total other liabilities	5,361,922	5,583,583	970,436	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 June 2013 and 31 December 2012, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 308 million and Baht 355 million, respectively (the Company only: Baht 180 million and Baht 206 million, respectively).

3.13 Capital funds

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

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

Regarding to Capital fund as of 30 June 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 June 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	6,804,321	6,089,582
Less: Deficit provision according to IRB	(493,936)	(279,825)
Total Common Equity Tier I capital	16,606,835	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	16,606,836	14,067,830
<u>Tier II capital</u>		
Subordinated long-term debentures	7,518,700	6,858,434
Reserve for loans classified as pass	586,133	490,337
Less: Deficit provision according to IRB	-	(279,825)
Total Tier II capital	8,104,833	7,068,946
Total capital funds	24,711,669	21,136,776

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

(Unit: Percent)

Capital ratios	As at			
	30 June 2013		31 December 2012 ⁽¹⁾	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital				
to risk assets	8.95	4.50	-	-
Tier I capital to risk assets	8.95	6.00	8.51	4.25
Total capital to risk assets	13.32	8.50	12.79	8.50

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

3.13.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 6/2553 regarding “Consolidated Supervision” dated 18 June 2010, the Company has disclosed capital maintenance information of financial business group as at 31 December 2012 on its website on 30 April 2013.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Interbank and money market items	245,870	154,575	461,110	341,857
Investments in debt securities	46,117	40,708	87,788	81,768
Loans to customers	1,447,089	1,049,041	2,791,762	1,981,843
Hire purchase and financial lease income	3,026,980	2,372,490	5,892,361	4,624,732
Total interest income	4,766,056	3,616,814	9,233,021	7,030,200

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Interbank and money market items	9,787	7,640	14,315	10,210
Investments in debt securities	40,704	10,976	78,189	21,654
Total interest income	50,491	18,616	92,504	31,864

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Deposits	1,833,391	424,508	3,564,332	702,460
Interbank and money market items	117,485	127,407	216,227	270,112
Contribution fee to the Deposit Protection Agency and Bank of Thailand	309,937	161,581 ⁽¹⁾	593,892	236,921 ⁽¹⁾
Issued debt instruments				
- Subordinated debentures	108,123	92,388	215,057	173,438
- Unsubordinated debentures	57,927	56,578	94,987	79,697
Borrowings	110,184	1,025,758	216,169	2,273,366
Total interest expenses	<u>2,537,047</u>	<u>1,888,220</u>	<u>4,900,664</u>	<u>3,735,994</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 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 six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Interbank and money market items	-	-	322	-
Borrowings	63,574	26,690	114,259	45,206
Total interest expenses	<u>63,574</u>	<u>26,690</u>	<u>114,581</u>	<u>45,206</u>

3.16 Fees and service income - net

Fees and service income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Fees and service income				
- Acceptance, aval and guarantees	1,229	2,854	3,966	6,539
- Insurance service	555,754	444,730	1,381,135	872,896
- Brokerage fees	305,342	172,011	668,291	349,918
- Fund management	186,708	148,245	388,277	312,214
- Financial advisory	1,850	16,800	5,650	22,400
- Others	217,269	189,426	460,025	380,877
Total fees and service income	1,268,152	974,066	2,907,344	1,944,844
Fees and service expenses				
- Information service expense	(5,574)	(15,644)	(11,689)	(37,610)
- Others	(53,023)	(34,719)	(113,213)	(72,596)
Total fees and service expense	(58,597)	(50,363)	(124,902)	(110,206)
Fees and service income - net	1,209,555	923,703	2,782,442	1,834,638

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Fees and service income	-	-	-	-
Fees and service expenses				
- Others	(3,392)	(1,946)	(5,678)	(3,966)
Total fees and service expense	(3,392)	(1,946)	(5,678)	(3,966)
Fees and service income - net	(3,392)	(1,946)	(5,678)	(3,966)

3.17 Gains on trading and foreign exchange transactions - net

Gains on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	52,840	86	19,156	(17,110)
- Derivatives on interest rates	15,424	38,704	11,616	26,606
- Debt securities	1,504	4,707	3,594	7,866
- Equity securities	(1)	2,013	(1)	3,295
- Others	-	-	(6)	1
Gain on cash flow hedges	-	100,761	-	100,761
Total	69,767	146,271	34,359	121,419

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Gains on trading and foreign exchange transactions				
- Foreign currencies	47,624	-	12,767	-
Total	47,624	-	12,767	-

3.18 Gains on investments - net

Gains on investments in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Gains (losses) on disposal				
- Available-for-sale securities	79,308	(79)	234,155	1,172
- Held-to-maturity debt securities	43	289	116	368
- General investments	8,373	14,596	19,530	22,516
Total	87,724	14,806	253,801	24,056
Reversal of losses (losses) on impairment				
- General investments	(1,005)	(871)	(1,005)	446
Total	(1,005)	(871)	(1,005)	446
Gains on investments	86,719	13,935	252,796	24,502

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Losses on impairment				
- Investments in subsidiaries	-	(1)	-	(7)
Losses from investments	-	(1)	-	(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 six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Interbank and money market items	(21,000)	(10,000)	4,000	-
Held-to-maturity debt securities	(1,666)	1,833	(1,572)	640
Loans to customers	832,800	599,500	1,747,798	850,500
Total	810,134	591,333	1,750,226	851,140

3.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Gain on disposal of property foreclosed	-	16,890	-	30,364
Rental income	7,448	5,469	14,679	10,939
Others	4,633	9,732	10,463	19,119
Total	12,081	32,091	25,142	60,422

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2013	2012	2013	2012
Rental income	16,447	16,677	32,829	31,305
Others	141	188	449	566
Total	16,588	16,865	33,278	31,871

3.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Mailing expenses	13,547	12,411	28,996	26,401
Software amortisation expenses	15,106	19,274	31,320	38,426
Legal expenses	44,349	34,634	80,513	68,007
Transportation expenses	23,391	20,211	46,656	41,793
Others	60,552	84,002	140,332	177,894
Total	156,945	170,532	327,817	352,521

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Mailing expenses	204	23	215	257
Software amortisation expenses	5,225	6,006	11,310	12,325
Transportation expenses	2,176	1,819	4,232	3,867
Others	9,678	12,382	16,630	39,727
Total	17,283	20,230	32,387	56,176

3.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Current income tax:				
Income tax expenses for the periods	231,967	182,505	557,969	408,927
Adjustment in respect of current income tax of previous year	(2,975)	1,397	(16)	1,397
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	74,194	74,615	29,659	96,359
Income tax expense reported in statements of comprehensive income	303,186	258,517	587,612	506,683

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Current income tax:				
Income tax expenses for the periods	24,995	24,893	33,149	50,581
Adjustment in respect of current income tax of previous year	-	1,171	(950)	1,171
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	601	728	6,974	693
Income tax expense reported in statements of comprehensive income	25,596	26,792	39,173	52,445

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Other comprehensive income				
Gains on translation adjustment of financial statement in foreign operations	2,641	1,452	688	223
Investment in available-for-sale securities:				
Gains (losses) during the periods	(240,801)	(59,792)	(147,952)	34,721
Less: Reclassification adjustments for (gains) losses included in profit or loss	(79,308)	79	(234,155)	(1,172)
	(320,109)	(59,713)	(382,107)	33,549
Actuarial gains (losses) arising from post-employment benefits	7,785	(20,034)	7,785	(20,034)
Cash flow hedges:				
Losses during the periods	(31,901)	(22,407)	(6,899)	(82,688)
Add: Reclassification adjustments for gains included in profit or loss	-	(100,615)	-	(91,397)
	(31,901)	(123,022)	(6,899)	(174,085)
Other comprehensive income	(341,584)	(201,317)	(380,533)	(160,347)
Income tax related to components of other comprehensive income	71,433	40,494	73,850	32,055
Other comprehensive income for the periods - net	<u>(270,151)</u>	<u>(160,823)</u>	<u>(306,683)</u>	<u>(128,292)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Other comprehensive income				
Investment in available-for-sale securities:				
Losses during the periods	(137,332)	-	(172,088)	-
Less: Reclassification adjustments for (gains) losses included in profit or loss	-	-	-	-
	(137,332)	-	(172,088)	-
Actuarial gain (losses)	5,112	(3,761)	5,112	(3,761)
Other comprehensive income	(132,220)	(3,761)	(166,976)	(3,761)
Income tax relating to components of other comprehensive income	26,444	752	33,395	752
Other comprehensive income for the periods - net	<u>(105,776)</u>	<u>(3,009)</u>	<u>(133,581)</u>	<u>(3,009)</u>

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	2013			2012		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Decrease in surplus on change in value of investments	(320,109)	66,606	(253,503)	(59,713)	11,943	(47,770)
Actuarial gains (losses) arising from post - employment benefits	7,785	(1,553)	6,232	(20,034)	3,947	(16,087)
Cash flow hedges	(31,901)	6,380	(25,521)	(123,022)	24,604	(98,418)
	<u>(344,225)</u>	<u>71,433</u>	<u>(272,792)</u>	<u>(202,769)</u>	<u>40,494</u>	<u>(162,275)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements						
For the six-month periods ended 30 June						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Decrease in surplus on change in value of investments	(382,107)	74,023	(308,084)	33,549	(6,710)	26,839
Actuarial gains (losses) arising from post - employment	7,785	(1,553)	6,232	(20,034)	3,947	(16,087)
Cash flow hedges	(6,899)	1,380	(5,519)	(174,085)	34,818	(139,267)
	<u>(381,221)</u>	<u>73,850</u>	<u>(307,371)</u>	<u>(160,570)</u>	<u>32,055</u>	<u>(128,515)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 June						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Decrease in surplus on change in value of investments	(137,332)	27,466	(109,866)	-	-	-
Actuarial gains (losses)	5,112	(1,022)	4,090	(3,761)	752	(3,009)
	<u>(132,220)</u>	<u>26,444</u>	<u>(105,776)</u>	<u>(3,761)</u>	<u>752</u>	<u>(3,009)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the six-month periods ended 30 June						
2013			2012			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Decrease in surplus on change in value of investments	(172,088)	34,417	(137,671)	-	-	-
Actuarial gains (losses)	5,112	(1,022)	4,090	(3,761)	752	(3,009)
	<u>(166,976)</u>	<u>33,395</u>	<u>(133,581)</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 periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Profit attributable to equity holders of the Company (Thousand Baht)	1,159,138	919,734	2,312,641	1,756,394
Weighted average number of shares (Thousand shares)	730,310	727,912	729,118	727,912
Earnings per share (Baht/share)	1.59	1.26	3.17	2.41

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Profit attributable to equity holders of the Company (Thousand Baht)	99,297	83,063	158,445	169,123
Weighted average number of shares (Thousand shares)	730,310	727,912	729,118	727,912
Earnings per share (Baht/share)	0.14	0.11	0.22	0.23

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January			As at 30 June
	2013	Increase	Decrease	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	1,939,794	-	2,505,778
Loans:				
Hi-Way Co., Ltd.	1,196,000	129,000	-	1,325,000
TISCO Leasing Co., Ltd.	2,645,000	670,000	(270,000)	3,045,000
Dividend receivable:				
TISCO Bank Public Company Limited	1,237,656	-	(1,237,656)	-
TISCO Securities Co., Ltd.	260,000	-	(260,000)	-
TISCO Asset Management Co., Ltd.	334,998	-	(334,998)	-
TISCO Tokyo Leasing Co., Ltd.	-	2,205	(2,205)	-
Other assets:				
TISCO Bank Public Company Limited	87,293	10,349	(72,878)	24,764
TISCO Learning Center Co., Ltd.	104	1,160	(211)	1,053
Deutsche TISCO Investment Advisory Co., Ltd.	1,250	-	(1,250)	-
All - Ways Co., Ltd.	-	120	-	120
Interbank and money market items (Liability):				
TISCO Securities Co., Ltd.	200,000	-	(200,000)	-
Borrowings:				
TISCO Information Technology Co., Ltd.	-	65,000	(65,000)	-
Interest payable:				
TISCO Information Technology Co., Ltd.	-	113	(113)	-
TISCO Securities Co., Ltd.	107	-	(107)	-
Other liabilities:				
TISCO Securities Co., Ltd.	-	151	-	151
TISCO Learning Center Co., Ltd.	88	385	-	473

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	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	362,819	367,733	794,285	745,240	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest income	50,472	18,556	92,403	31,761	With reference to the terms and prices as offered to other customers
Rental income	16,184	16,443	32,307	30,842	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	42,500	40,000	85,000	80,000	Determined on the basis of market price and/or in compliance with the criteria specified by the Bank of Thailand
Interest expenses	166	476	601	476	With reference to the terms and prices as offered to other customers
Training expenses	736	902	989	1,149	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 June 2013	31 December 2012
Loans ⁽¹⁾	26,522	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 June 2013	31 December 2012
Deposits	126,154	195,678

Directors and management's benefits

During the three-month and six-month periods ended 30 June 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		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Short-term benefit	56	49	109	130
Post-employment benefit	1	1	3	3
Total	57	50	112	133

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Short-term benefit	37	32	72	95
Post-employment benefit	1	1	2	2
Total	38	33	74	97

3.27 Segment information

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

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through the TISCO Bank headquarters 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 June 2013	318,333	5,870	549	25,673	350,425	(26,456)	323,969
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 June 2013	Commercial		Asset		Total segments	Adjustments and elimination	Consolidated
	banking	Securities	management	Support			
	business	business	business	business			
Revenue							
External customers	3,324	400	201	(22)	3,903	-	3,903
Inter - segment	(22)	106	-	556	640	(640)	-
Total revenue	3,302	506	201	534	4,543	(640)	3,903

(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 June 2013							
Results:							
Net interest income	2,231	9	1	(12)	2,229	-	2,229
Net fees and service income	736	399	197	118	1,450	(240)	1,210
Other operating income	335	98	3	428	864	(400)	464
Total operating income	3,302	506	201	534	4,543	(640)	3,903
Depreciation and amortisation	(219)	(23)	(7)	(109)	(358)	119	(239)
Other operating expenses	(1,120)	(318)	(126)	(305)	(1,869)	505	(1,364)
Bad debt, doubtful account and impairment loss	(810)	-	-	-	(810)	-	(810)
Total operating expenses	(2,149)	(341)	(133)	(414)	(3,037)	624	(2,413)
Segment profit	1,153	165	68	120	1,506	(16)	1,490
Income tax expense							(304)
Non-controlling interests of the subsidiaries							(27)
Profit for the period - equity holders of the Company							1,159

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the six-month period ended							
30 June 2013							
Revenue							
External customers	6,914	902	456	(114)	8,158	-	8,158
Inter - segment	(83)	216	-	1,168	1,301	(1,301)	-
Total revenue	6,831	1,118	456	1,054	9,459	(1,301)	8,158
Results:							
Net interest income	4,332	17	4	(21)	4,332	-	4,332
Net fees and service income	1,715	862	449	231	3,257	(474)	2,783
Other operating income	784	239	3	844	1,870	(827)	1,043
Total operating income	6,831	1,118	456	1,054	9,459	(1,301)	8,158
Depreciation and amortisation	(446)	(44)	(13)	(219)	(722)	238	(484)
Other operating expenses	(2,599)	(582)	(229)	(619)	(4,029)	1,071	(2,958)
Bad debt, doubtful account and impairment loss	(1,750)	-	-	-	(1,750)	-	(1,750)
Total operating expenses	(4,795)	(626)	(242)	(838)	(6,501)	1,309	(5,192)
Segment profit	2,036	492	214	216	2,958	8	2,966
Income tax expense							(588)
Non-controlling interests of the subsidiaries							(65)
Profit for the period - equity holders of the Company							2,313

(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 June 2012							
Revenue							
External customers	2,879	182	165	(30)	3,196	-	3,196
Inter-segment	(18)	6	-	511	499	(499)	-
Total revenue	2,861	188	165	481	3,695	(499)	3,196
Results :							
Net interest income	1,728	7	1	(7)	1,729	-	1,729
Net fees and service income	593	177	162	104	1,036	(112)	924
Other operating income	540	4	2	384	930	(387)	543
Total operating income	2,861	188	165	481	3,695	(499)	3,196
Depreciation and amortization	(209)	(18)	(7)	(106)	(340)	110	(230)
Other operating expenses	(1,107)	(118)	(98)	(255)	(1,578)	388	(1,190)
Bad debt, doubtful account and impairment loss	(591)	-	-	-	(591)	-	(591)
Total operating expenses	(1,907)	(136)	(105)	(361)	(2,509)	498	(2,011)
Segment profit	954	52	60	120	1,186	(1)	1,185
Income tax expense							(259)
Non-controlling interests of the subsidiaries							(7)
Profit for the period - equity holders of the Company							919

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and elimination	Consolidated
For the six-month period ended							
30 June 2012							
Revenue							
External customers	5,327	371	345	(48)	5,995	-	5,995
Inter-segment	(38)	12	-	1,021	995	(995)	-
Total revenue	5,289	383	345	973	6,990	(995)	5,995
Results :							
Net interest income	3,289	14	3	(12)	3,294	-	3,294
Net fees and service income	1,159	347	340	206	2,052	(217)	1,835
Other operating income	841	22	2	779	1,644	(778)	866
Total operating income	5,289	383	345	973	6,990	(995)	5,995
Depreciation and amortization	(419)	(35)	(13)	(209)	(676)	221	(455)
Other operating expenses	(2,240)	(235)	(190)	(524)	(3,189)	776	(2,413)
Bad debt, doubtful account and impairment loss	(851)	-	-	-	(851)	-	(851)
Total operating expenses	(3,510)	(270)	(203)	(733)	(4,716)	997	(3,719)
Segment profit	1,779	113	142	240	2,274	2	2,276
Income tax expense							(507)
Non-controlling interests of the subsidiaries							(13)
Profit for the period - equity holders of the Company							1,756

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2013			
	Domestic operations	Foreign operations	Elimination	Total
Total assets	350,380	46	(26,457)	323,969
Interbank and money market items (assets)	37,221	46	(4,890)	32,377
Investments - net	7,640	-	-	7,640
Loans to customers and accrued interest receivables - net	279,409	-	(4,370)	275,039
Deposits	240,944	-	(2,851)	238,093
Interbank and money market items (liabilities)	20,953	-	(2,042)	18,911
Debt issued and borrowings	39,098	-	(4,370)	34,728

(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 June 2013				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	4,828	-	(62)	4,766
Interest expenses	(2,599)	-	62	(2,537)
Interest income - net	2,229	-	-	2,229
Net fee and service income	1,449	-	(239)	1,210
Other operating income	863	-	(400)	463
Total operating income	4,541	-	(639)	3,902
Other operating expenses	(2,227)	-	624	(1,603)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(810)	-	-	(810)
Income tax expense	(303)	-	-	(303)
Non-controlling interest of the subsidiaries	-	-	(27)	(27)
Profit equity holders of the Company	1,201	-	(42)	1,159

(Unit: Million Baht)

Consolidated financial statements				
For the six-month period ended 30 June 2013				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	9,346	-	(113)	9,233
Interest expenses	(5,014)	-	113	(4,901)
Interest income - net	4,332	-	-	4,332
Net fee and service income	3,256	-	(474)	2,782
Other operating income	1,869	-	(826)	1,043
Total operating income	9,457	-	(1,300)	8,157
Other operating expenses	(4,750)	-	1,309	(3,441)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(1,750)	-	-	(1,750)
Income tax expense	(588)	-	-	(588)
Non-controlling interest of the subsidiaries	-	-	(65)	(65)
Profit equity holders of the Company	2,369	-	(56)	2,313

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements				
For the three-month period ended 30 June 2012				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	3,638	-	(21)	3,617
Interest expenses	(1,909)	-	21	(1,888)
Interest income - net	1,729	-	-	1,729
Net fee and service income	1,036	-	(112)	924
Other operating income	930	-	(387)	543
Total operating income	3,695	-	(499)	3,196
Other operating expenses	(1,919)	-	499	(1,420)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(591)	-	-	(591)
Income tax expense	(259)	-	-	(259)
Non-controlling interest of the subsidiaries	-	-	(6)	(6)
Profit equity holders of the Company	926	-	(6)	920

(Unit: Million Baht)

Consolidated financial statements				
For the six-month period ended 30 June 2012				
	Domestic	Foreign		
	operations	operations	Elimination	Total
Interest income	7,064	-	(34)	7,030
Interest expenses	(3,770)	-	34	(3,736)
Interest income - net	3,294	-	-	3,294
Net fee and service income	2,052	-	(217)	1,835
Other operating income	1,644	-	(778)	866
Total operating income	6,990	-	(995)	5,995
Other operating expenses	(3,864)	(1)	997	(2,868)
Bad debt, doubtful accounts and impairment				
loss of debt securities	(851)	-	-	(851)
Income tax expense	(507)	-	-	(507)
Non-controlling interest of the subsidiaries	-	-	(13)	(13)
Profit equity holders of the Company	1,768	(1)	(11)	1,756

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 six-month periods ended 30 June 2013 and 2012, the Company and its subsidiaries paid provident fund contributions totaling Baht 62 million and Baht 55 million, respectively (the Company only: Baht 10 million and Baht 9 million, respectively).

3.30 Commitments and contingent liabilities

3.30.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at	
	30 June 2013	31 December 2012
Avals	151,308	155,388
Other guarantees	696,230	722,348
Undrawn client overdraft facilities	52,130	47,905
Interest rate swap agreements	3,032,000	3,032,000
Cross currency swap agreements	3,603,955	3,702,570
	<u>7,535,624</u>	<u>7,660,211</u>

3.30.2 Litigation

As at 30 June 2013 and 31 December 2012, the subsidiary has been sued for compensation totaling approximately Baht 134 million and Baht 165 million, respectively. Final judgments have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.30.3 Other commitments

- a) The subsidiary company operating banking business has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary companies have entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally between 3 to 10 years.

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

Payable within:	As at	
	30 June 2013	31 December 2012
	Not over 1 year	126
Over 1 to 5 years	124	128

(Unit: Million Baht)

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				1,711	
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				1,746	

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 TSRs conveys the right to purchase 1 newly issued common share of the Company at a price of Baht 24 per share. The closing date of the share register to determine which shareholders are entitled to receive the TSRs is 7 May 2013. In addition, the meeting approved the delegation of authority to determine other relevant details in connection with the issuance and allocation of the TSRs to the existing shareholders of the Company to the Board of Directors or the Group Chief Executive, including without limitation, the offering period, offering price, payment period, and other terms and conditions.

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 shareholders 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 resolutions approving the increase of the Bank's registered capital to Baht 8,191,712,820, 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. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 August 2013.