

**The Siam Commercial Bank Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month period ended
31 March 2013
and
Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of The Siam Commercial Bank Public Company Limited

I have reviewed the accompanying consolidated and the Bank's statements of financial position of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, as at 31 March 2013; the consolidated and the Bank's statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2013 and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

Without qualifying my conclusion, I draw attention to note 3 to the interim financial information describing the effect of the Bank and its subsidiaries' adoption from 1 January 2013 of certain new accounting policies. The consolidated and the Bank's statements of financial position as at 31 December 2012, which are included as comparative information, are components of the audited consolidated and the Bank's financial statements as at and for the year ended 31 December 2012 after making the adjustments described in note 3. I have audited these adjustments and, based on my audit, in my opinion, such adjustments are appropriate and have been properly applied. Furthermore, the consolidated and the Bank's statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2012, which are included as comparative information, have also been adjusted as described in note 3. I have reviewed these adjustments and, based on my review, nothing has come to my attention to indicate that such adjustments are not appropriate and properly applied.

(Supot Singhasaneh)
Certified Public Accountant
Registration No. 2826

KPMG Phoomchai Audit Ltd.
Bangkok
15 May 2013

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated		The Bank	
		31 March 2013 (Unaudited)	31 December 2012 (Restated) *	31 March 2013 (Unaudited)	31 December 2012 (Restated) *
<i>(in thousand Baht)</i>					
Cash		28,346,744	31,322,453	28,207,510	31,218,439
Interbank and money market items, net		225,986,223	162,754,864	212,024,444	149,540,753
Claims on security		1,010,188	-	1,010,188	-
Derivative assets		38,479,639	28,759,539	38,496,429	28,781,792
Investments, net	5	445,908,417	458,296,782	328,020,326	346,600,314
Investments in subsidiaries and associates, net		624,572	646,652	27,902,519	27,902,519
Loans to customers and accrued interest receivables, net	6				
Loans to customers		1,617,462,859	1,568,784,504	1,610,469,838	1,561,795,974
Accrued interest receivables		3,546,219	3,463,427	3,379,671	3,308,810
Total loans to customers and accrued interest receivables		1,621,009,078	1,572,247,931	1,613,849,509	1,565,104,784
Less deferred revenue		(22,946,326)	(21,298,794)	(22,818,763)	(21,153,819)
Less allowance for doubtful accounts	6.2, 8	(52,868,262)	(51,510,103)	(51,118,438)	(49,739,941)
Less revaluation allowance for debt restructuring		(450,853)	(445,628)	(450,853)	(445,628)
Total loans to customers and accrued interest receivables, net		1,544,743,637	1,498,993,406	1,539,461,455	1,493,765,396
Customers' liabilities under acceptances		119,569	192,219	119,569	192,219
Properties for sale, net		9,492,108	9,455,896	9,476,922	9,437,572
Premises and equipment, net		34,992,289	35,392,512	33,576,328	33,955,214
Goodwill and other intangible assets, net		11,332,420	11,420,142	1,398,688	1,479,453
Reinsurance receivables and assets		3,671,590	3,770,019	-	-
Assets pending transfer		2,906,355	12,660,556	2,906,355	12,660,556
Deferred tax assets	3	496,413	471,020	7,694	8,150
Other assets, net		16,408,515	15,930,813	9,022,977	9,773,136
Total assets		2,364,518,679	2,270,066,873	2,231,631,404	2,145,315,513

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

* Refer to note 3

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated		The Bank	
		31 March 2013 (Unaudited)	31 December 2012 (Restated) *	31 March 2013 (Unaudited)	31 December 2012 (Restated) *
<i>(in thousand Baht)</i>					
Liabilities and equity					
Liabilities					
Deposits		1,656,140,048	1,614,059,199	1,658,157,047	1,614,588,618
Interbank and money market items		124,474,021	107,063,207	126,222,364	111,907,302
Liabilities payable on demand		11,414,581	9,602,881	11,409,922	9,562,679
Liabilities to deliver security		1,038,538	-	1,010,188	-
Derivative liabilities		34,891,165	24,972,679	34,956,980	24,979,741
Debt issued and borrowings		128,604,104	132,576,966	128,418,210	132,487,594
Bank's liabilities under acceptances		119,569	192,219	119,569	192,219
Provisions		6,416,307	6,154,980	6,106,418	5,844,837
Liabilities under insurance contracts		113,703,356	107,302,084	-	-
Liabilities pending transfer		10,700,763	13,442,623	10,585,319	13,722,933
Deferred tax liabilities	3	3,908,709	3,996,214	3,372,220	3,609,474
Other liabilities		43,549,267	35,361,331	34,257,310	26,377,283
Total liabilities		2,134,960,428	2,054,724,383	2,014,615,547	1,943,272,680
Equity					
Share capital					
Authorised share capital					
3,584,968,018 preference shares of Baht 10 each		35,849,680	35,849,680	35,849,680	35,849,680
3,415,031,982 ordinary shares of Baht 10 each		34,150,320	34,150,320	34,150,320	34,150,320
Issued and paid-up share capital					
5,384,001 preference shares of Baht 10 each		53,840	54,558	53,840	54,558
3,393,808,197 ordinary shares of Baht 10 each		33,938,082	33,937,364	33,938,082	33,937,364
Premium on share capital					
Premium on preference shares		21,054	21,335	21,054	21,335
Premium on ordinary shares		11,103,137	11,102,856	11,103,137	11,102,856
Other reserves		20,724,815	19,639,340	18,924,244	18,277,926
Retained earnings					
Appropriated					
Legal reserve		7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		155,201,972	142,033,737	145,975,500	131,648,794
Total shareholders' equity		228,042,900	213,789,190	217,015,857	202,042,833
Non-controlling interests		1,515,351	1,553,300	-	-
Total equity		229,558,251	215,342,490	217,015,857	202,042,833
Total liabilities and equity		2,364,518,679	2,270,066,873	2,231,631,404	2,145,315,513

(Mrs. Kannikar Chalitaporn)
President

(Dr. Vichit Suraphongchai)
Chairman of the Executive Committee

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

* Refer to note 3

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated		The Bank	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2013	2012	2013	2012
		(Restated) *		(Restated) *
	<i>(in thousand Baht)</i>			
Interest income	28,519,390	23,762,920	27,252,389	22,494,973
Interest expense	11,282,354	9,592,392	11,294,142	9,570,843
Net interest income	17,237,036	14,170,528	15,958,247	12,924,130
Fees and service income	7,304,913	6,134,038	8,534,437	7,062,767
Fees and service expense	1,313,656	1,070,782	1,212,615	1,001,307
Net fees and service income	5,991,257	5,063,256	7,321,822	6,061,460
Net trading income	2,028,193	2,312,670	1,958,175	2,309,722
Net gain on investments	427,869	334,215	138,943	97,833
Share of profit of associates	6,155	5,001	-	-
Dividend income	1,358,492	131,653	4,097,856	76,858
Net earned insurance premiums	11,788,376	9,732,285	-	-
Other operating income	177,670	287,495	68,215	192,326
Total operating income	39,015,048	32,037,103	29,543,258	21,662,329
Net insurance claims	9,466,085	7,747,089	-	-
Net operating income	29,548,963	24,290,014	29,543,258	21,662,329
Other operating expenses				
Staff costs	5,037,117	4,605,291	4,383,217	3,983,852
Directors' remuneration	44,720	31,872	43,403	30,013
Premises and equipment expenses	2,231,697	2,072,384	2,066,403	1,877,158
Taxes and duties	959,869	863,963	923,940	832,002
Others	2,551,338	2,049,941	2,802,780	2,090,676
Total operating expenses	10,824,741	9,623,451	10,219,743	8,813,701
Impairment loss of loans and debt securities	2,518,473	1,446,738	2,548,993	1,498,862
Profit before tax	16,205,749	13,219,825	16,774,522	11,349,766
Income tax expense	2,978,738	3,123,364	2,502,834	2,667,779
Net profit	13,227,011	10,096,461	14,271,688	8,681,987

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The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended		Three month period ended	
		31 March		31 March	
		2013	2012	2013	2012
			(Restated) *		(Restated) *
		<i>(in thousand Baht)</i>			
Other comprehensive income					
Gain on remeasuring available-for-sale investments		1,530,719	890,204	876,670	459,263
Foreign currency translation differences		(62,274)	(44,462)	-	-
Share of other comprehensive income of associates		-	(40,940)	-	-
Income tax on other comprehensive income		(319,555)	(217,859)	(175,334)	(91,853)
Total other comprehensive income, net of income tax		<u>1,148,890</u>	<u>586,943</u>	<u>701,336</u>	<u>367,410</u>
Total comprehensive income		<u>14,375,901</u>	<u>10,683,404</u>	<u>14,973,024</u>	<u>9,049,397</u>
Net profit attributable to					
Shareholders of the parent company		13,116,399	10,024,112	14,271,688	8,681,987
Non-controlling interests		110,612	72,349	-	-
Total comprehensive income attributable to					
Shareholders of the parent company		14,253,532	10,575,317	14,973,024	9,049,397
Non-controlling interests		122,369	108,087	-	-
Earnings per share of the parent company					
Basic earnings per share <i>(in Baht)</i>	17	<u>3.86</u>	<u>2.95</u>	<u>4.20</u>	<u>2.55</u>

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(Mrs. Kannikar Chalitaporn)
President

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(Dr. Vichit Suraphongchai)
Chairman of the Executive Committee

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The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated														
		Issued and		Premium on		Other reserves										
		paid-up share capital		share capital		Change in	Gain on	Foreign	Share of other	Total	Retained earnings		Total	Non-		
		Preference	Ordinary	Preference	Ordinary	revaluation	remeasuring	currency	comprehensive	other	Legal	Unappropriated	shareholders'	controlling	Total	
Note		shares	shares	shares	shares	surplus	available-for-sale	translation	income	reserves	reserve	equity	interests	Total		
<i>(in thousand Baht)</i>																
Three month period ended 31 March 2012																
		60,296	33,931,626	23,578	11,100,613	16,277,033	4,933,670	(330,478)	40,940	20,921,165	7,000,000	112,833,679	185,870,957	1,311,954	187,182,911	
	3	-	-	-	-	(3,173,898)	(952,101)	-	-	(4,125,999)	-	2,083,164	(2,042,835)	(871)	(2,043,706)	
		60,296	33,931,626	23,578	11,100,613	13,103,135	3,981,569	(330,478)	40,940	16,795,166	7,000,000	114,916,843	183,828,122	1,311,083	185,139,205	
		(1,859)	1,859	(726)	726	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	-	(287,615)	(287,615)	
		-	-	-	-	-	-	-	-	-	-	10,024,112	10,024,112	72,349	10,096,461	
		-	-	-	-	-	636,607	(44,462)	(40,940)	551,205	-	-	551,205	35,738	586,943	
		-	-	-	-	-	636,607	(44,462)	(40,940)	551,205	-	10,024,112	10,575,317	108,087	10,683,404	
		-	-	-	-	(51,088)	-	-	-	(51,088)	-	30,084	(21,004)	185	(20,819)	
		58,437	33,933,485	22,852	11,101,339	13,052,047	4,618,176	(374,940)	-	17,295,283	7,000,000	124,971,039	194,382,435	1,131,740	195,514,175	

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated														
		Other reserves														
		Issued and paid-up share capital		Premium on share capital		Gain on remeasuring available-for-sale investments			Foreign currency translation differences		Surplus from the change in the ownership interests in subsidiaries		Total Retained earnings		Total Non- controlling interests	
		Preference shares	Ordinary shares	Preference shares	Ordinary shares	Change in revaluation surplus	Gain on available-for-sale investments	Foreign currency translation differences	Surplus from the change in the ownership interests in subsidiaries	Total other reserves	Legal reserve Unappropriated		Total shareholders' equity	Non- controlling interests	Total	
<i>Note</i>		<i>(in thousand Baht)</i>														
Three month period ended 31 March 2013																
		54,558	33,937,364	21,335	11,102,856	15,996,954	8,935,543	-388,635	10,565	24,554,427	7,000,000	140,930,675	217,601,215	1,554,171	219,155,386	
	3	-	-	-	-	(3,117,348)	(1,797,739)	-	-	(4,915,087)	-	1,103,062	(3,812,025)	(871)	(3,812,896)	
		54,558	33,937,364	21,335	11,102,856	12,879,606	7,137,804	(388,635)	10,565	19,639,340	7,000,000	142,033,737	213,789,190	1,553,300	215,342,490	
		-	-	-	-	-	-	-	-	-	-	-	-	(160,140)	(160,140)	
		(718)	718	(281)	281	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	13,116,399	13,116,399	110,612	13,227,011	
		-	-	-	-	-	1,203,635	(62,274)	-	1,141,361	-	(4,228)	1,137,133	11,757	1,148,890	
		-	-	-	-	-	1,203,635	(62,274)	-	1,141,361	-	13,112,171	14,253,532	122,369	14,375,901	
		-	-	-	-	(55,886)	-	-	-	(55,886)	-	56,064	178	(178)	-	
		53,840	33,938,082	21,054	11,103,137	12,823,720	8,341,439	(450,909)	10,565	20,724,815	7,000,000	155,201,972	228,042,900	1,515,351	229,558,251	

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		The Bank									
		Issued and		Premium on		Other reserves			Retained earnings		
		paid-up share capital		share capital		Change in	remeasuring	Total			
		Preference	Ordinary	Preference	Ordinary	revaluation	available-for-sale	other	Legal	Unappropriated	Total
<i>Note</i>		shares	shares	shares	shares	surplus	investments	reserves	reserve		
<i>(in thousand Baht)</i>											
Three month period ended 31 March 2012											
		60,296	33,931,626	23,578	11,100,613	15,869,489	4,630,093	20,499,582	7,000,000	103,901,795	176,517,490
	3	-	-	-	-	(3,173,898)	(926,019)	(4,099,917)	-	1,914,262	(2,185,655)
		60,296	33,931,626	23,578	11,100,613	12,695,591	3,704,074	16,399,665	7,000,000	105,816,057	174,331,835
		(1,859)	1,859	(726)	726	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	8,681,987	8,681,987
		-	-	-	-	-	367,410	367,410	-	-	367,410
		-	-	-	-	-	367,410	367,410	-	8,681,987	9,049,397
		-	-	-	-	(55,480)	-	(55,480)	-	55,480	-
		58,437	33,933,485	22,852	11,101,339	12,640,111	4,071,484	16,711,595	7,000,000	114,553,524	183,381,232

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		The Bank									
						Other reserves					
		Issued and paid-up share capital		Premium on share capital		Change in revaluation surplus	Gain on remeasuring available-for-sale investments	Total other reserves	Retained earnings		
		Preference shares	Ordinary shares	Preference shares	Ordinary shares				Legal reserve	Unappropriated	Total
<i>Note</i>		<i>(in thousand Baht)</i>									
Three month period ended 31 March 2013											
Balance at 31 December 2012 - as reported		54,558	33,937,364	21,335	11,102,856	15,586,741	7,260,666	22,847,407	7,000,000	130,688,787	205,652,307
Impact of changes in accounting policies		3	-	-	-	-	-	-	-	960,007	(3,609,474)
Balance at 1 January 2013		54,558	33,937,364	21,335	11,102,856	12,469,393	5,808,533	18,277,926	7,000,000	131,648,794	202,042,833
Conversion of preference shares to ordinary shares		(718)	718	(281)	281	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	14,271,688	14,271,688
Other comprehensive income		-	-	-	-	-	701,336	701,336	-	-	701,336
Total comprehensive income for the period		-	-	-	-	-	701,336	701,336	-	14,271,688	14,973,024
Transfer to retained earnings		-	-	-	-	(55,018)	-	(55,018)	-	55,018	-
Balance at 31 March 2013		53,840	33,938,082	21,054	11,103,137	12,414,375	6,509,869	18,924,244	7,000,000	145,975,500	217,015,857

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		The Bank	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit before tax	16,205,749	13,219,825	16,774,522	11,349,766
<i>Adjustments for</i>				
Depreciation and amortisation	700,371	648,602	645,217	591,881
Impairment loss on loans and debt securities	2,788,251	1,695,890	2,800,730	1,695,848
Loss on impairment of assets	-	27,708	-	-
Loss on impairment of properties for sale	23,331	2,830	23,535	3,820
Net gain on investments	(427,869)	(334,215)	(138,943)	(97,833)
(Gain) loss on sales of premises and equipment	(6,638)	(1,568)	(6,590)	164
Net trading income	(2,028,193)	(2,312,670)	(1,958,175)	(2,309,722)
Share of profit of associates	(6,155)	(5,001)	-	-
	17,248,847	12,941,401	18,140,296	11,233,924
Net interest income	(17,237,036)	(14,170,528)	(15,958,248)	(12,924,130)
Dividend income	(1,358,492)	(131,653)	(4,097,856)	(76,858)
Proceeds from interest	27,922,481	23,225,659	26,185,130	22,043,341
Interest paid	(10,897,539)	(7,715,623)	(10,905,872)	(7,692,161)
Proceeds from dividend	1,299,982	107,955	4,097,164	76,266
Income tax paid	(296,356)	(350,436)	(191,804)	(157,547)
Income from operations before changes in operating assets and liabilities	16,681,887	13,906,775	17,268,810	12,502,835
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(63,811,347)	(39,665,744)	(63,072,187)	(40,644,062)
Derivative assets	(9,629,974)	7,085,755	(9,708,927)	7,173,924
Investment in securities for trading	(11,606,733)	(4,797,220)	(11,549,266)	(4,958,386)
Loans to customers	(49,450,667)	(57,640,850)	(49,413,667)	(61,382,911)
Properties for sale	1,531,433	934,530	1,519,848	876,547
Reinsurance receivables and assets	98,429	(114,794)	-	-
Other assets	9,437,391	(518,004)	10,222,570	2,275,852

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		The Bank	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
<i>Increase (decrease) in operating liabilities</i>				
Deposits	42,080,848	124,669,316	43,568,429	128,757,643
Interbank and money market items	17,410,814	5,129,417	14,315,062	5,197,467
Liabilities payable on demand	1,811,701	2,452,543	1,847,244	2,446,395
Derivative liabilities	9,918,486	(8,135,853)	9,977,239	(8,141,690)
Short-term debt issued and borrowings	(1,960,743)	(96,719,249)	(2,055,016)	(97,029,249)
Other liabilities	8,699,037	10,634,533	2,269,911	4,487,767
Net cash used in operating activities	(28,789,438)	(42,778,845)	(34,809,950)	(48,437,868)
<i>Cash flows from investing activities</i>				
Purchases of available-for-sale securities	(89,813,093)	(79,930,515)	(83,883,554)	(73,937,576)
Proceeds from sales of available-for-sale securities	123,529,210	74,453,894	115,649,433	72,640,686
Purchases of held-to-maturity securities	(22,045,397)	(3,513,934)	(185,536)	(105,453)
Proceeds from redemption of held-to-maturity securities	14,559,120	5,689,156	387,596	4,594,558
Proceeds from sales of general securities	832	6,095	832	-
Proceeds from sales of investments in subsidiaries and/or associates	-	795,592	-	47,588
Purchases of premises and equipment	(314,009)	(421,091)	(296,599)	(403,754)
Proceeds from sales of premises and equipment	162,181	40,866	161,984	4,164
Purchases of intangible assets	(42,700)	(101,543)	(35,135)	(86,866)
Net cash provided by (used in) investing activities	26,036,144	(2,981,480)	31,799,021	2,753,347
<i>Cash flows from financing activities</i>				
Proceeds from long-term debt issued and borrowings	-	38,164,000	-	38,164,000
Dividend paid to non-controlling interests	(160,140)	-	-	-
Net cash provided by (used in) financing activities	(160,140)	38,164,000	-	38,164,000
Foreign currency translation differences	(62,275)	(44,462)	-	-
Net decrease in cash	(2,975,709)	(7,640,787)	(3,010,929)	(7,520,521)
Cash at 1 January	31,322,453	33,701,257	31,218,439	33,468,934
Cash at 31 March	28,346,744	26,060,470	28,207,510	25,948,413

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from and are consistent with the Thai language statutory financial statements, and both the English and Thai language financial statements were approved and authorised for issue by the directors on 15 May 2013.

1 General information

The Siam Commercial Bank Public Company Limited, “the Bank”, is incorporated in Thailand and has its registered office at 9 Rutchadapisek Road, Jatujak, Bangkok.

The Bank was established by Royal Charter on 30 January 1906 and was listed on the Stock Exchange of Thailand on 6 February 1976.

The principal business of the Bank is the provision of financial products and services through its branch network in Thailand and other countries as well as its subsidiary in Cambodia and associate in Vietnam. The Bank also has sizeable investments in its two insurance subsidiaries. Details of the Bank’s subsidiaries as at 31 March 2013 and 31 December 2012 were as follows:

Name of the entity	Type of business	% shareholding of the Bank	
		31 March 2013	31 December 2012
Direct subsidiaries			
1 Cambodian Commercial Bank Ltd.	Banking	100.0	100.0
2 Rutchayothin Assets Management Co., Ltd.	Asset management	100.0	100.0
3 SCB Securities Co., Ltd.	Securities	100.0	100.0
4 SCB Asset Management Co., Ltd.	Asset management	100.0	100.0
5 Siam Commercial Leasing PCL	Leasing, hire-purchase and collection	99.1	99.1
6 The Siam Commercial Samaggi Insurance PCL	Insurance	60.9	60.9
7 SCB Life Assurance PCL	Life insurance	94.7	94.7
8 SCB Training Centre Co., Ltd.	Training center	100.0	100.0
9 Siam Phitiwat Company Limited	Appraisal services	100.0	100.0
10 SCB Plus Co., Ltd.	Collection company	100.0	100.0
11 Sor. Or. Kor. Public Company Limited *	Commercial	99.7	99.7
Indirect subsidiary			
1 Mahisorn Co., Ltd.	Property management	100.0	100.0

* Discontinued operations or in the process of dissolution

All subsidiaries were registered and operate in Thailand except the Cambodian Commercial Bank Ltd., which was registered and operates in Cambodia.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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For the three-month period ended 31 March 2013 (Unaudited)

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2009) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 11/2553, directive dated 3 December 2010, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2012. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2012.

The FAP has issued the following new and revised TAS/IFRS and Announcements relevant to the Bank and its subsidiaries’ operations and effective for accounting periods beginning on or after 1 January 2013:

TAS/IFRS and Announcements	Topic
TAS 12	Income Taxes
TAS 20	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
IFRS 8	Operating Segments
FAP Announcement 34/2012	Accounting guidance for Transfers of Financial Assets

The adoption of these new and revised TAS and IFRS has resulted in changes in the Bank and its subsidiaries’ accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TAS/IFRS and Announcements, as at 31 March 2013 the FAP had issued a number of new interpretations which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these interim financial statements. Those new interpretations that are relevant to the Bank and its subsidiaries’ operations are disclosed in note 19.

Except for the changes in accounting policy discussed in note 3, the accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2012.

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Bank and its subsidiaries’ functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

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(c) Use of estimates and judgments

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Bank and its subsidiaries' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2012. Changes principally derive from the adoption of new and revised TFRS from 1 January 2013.

(d) Basis of preparation of the consolidated financial statements

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank's subsidiaries where more than 50% of the shares are owned by the Bank. All inter-company transactions and balances within this Group have been eliminated.

The consolidated financial statements for the three-month periods ended 31 March 2013 and 2012 and for the year ended 31 December 2012 do not consolidate certain companies which are in the process of being dissolved and companies in which the Bank and/or a subsidiary have more than 50% of paid-up capital as a result of debt restructuring and the Bank and/or the subsidiary intend to hold these investments only for a temporary period.

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TAS and TFRS as set out in note 2, the Bank and its subsidiaries have changed their accounting policies in the following significant areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Bank and its subsidiaries are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Bank and its subsidiaries.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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(c) *Accounting for the effects of changes in foreign exchange rates*

From 1 January 2013, the Bank and its subsidiaries have adopted TAS 21 Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Bank and its subsidiaries is Thai Baht and that the adoption of TAS 21 from 1 January 2013 has not had a significant impact on the Bank and its subsidiaries' reported assets, liabilities or retained earnings.

(d) *Presentation of information on operating segments*

From 1 January 2013, the Bank and its subsidiaries have adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, is given below. The new policy has been applied retrospectively and segment information included in the 2012 financial statements, which are included in the Bank and its subsidiaries' 2013 interim financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Bank and its subsidiaries' reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Bank and its subsidiaries' Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. The Bank and its subsidiaries segment information is disclosed in Note 14.

4 Maintenance of capital fund

The Bank and its subsidiaries, which are financial institutions, are subject to various capital and regulatory requirements of the Bank of Thailand. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiaries must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory accounting practices. The Bank's and its subsidiaries' capital amounts and classifications are also subject to qualitative judgments by the Bank of Thailand as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the Bank of Thailand.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 17 December 2012, the Bank is required to calculate its Capital Fund in accordance with Basel III. Accordingly, the Bank and its Consolidated Supervision have adopted Basel III with effect from 1 January 2013, and the figures at 31 December 2012 have been presented on a corresponding basis. As at 31 March 2013 and 31 December 2012, the Consolidated Supervision and the Bank's total capital funds can be categorised as follows:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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	Consolidated Supervision	
	31 March 2013	31 December 2012
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net gain after appropriations	116,925	116,925
Other comprehensive income	17,467	16,184
Capital deduction items on CET1	<u>(5,083)</u>	<u>(5,083)</u>
Total Tier 1 capital	<u>181,425</u>	<u>180,142</u>
Tier 2 capital		
Subordinated debt	54,000	54,000
Allowance for classified assets of “normal” category and excess allowance	<u>17,328</u>	<u>15,568</u>
Total Tier 2 capital	<u>71,328</u>	<u>69,568</u>
Total capital funds	<u>252,753</u>	<u>249,710</u>
Total risk weighted assets	1,580,232	1,545,588
Total capital / Total risk weighted assets (minimum 8.50%)	16.0%	16.2%
Total Tier 1 capital / Total risk weighted assets (minimum 6.00%)	11.5%	11.7%
Total Tier 1 common equity / Total risk weighted assets (minimum 4.50%)	11.5%	11.7%
Total Tier 2 capital / Total risk weighted assets	4.5%	4.5%

	The Bank	
	31 March 2013	31 December 2012
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net gain after appropriations	112,930	112,930
Other comprehensive income	16,127	16,173
Capital deduction items on CET1	<u>(5,083)</u>	<u>(5,083)</u>
Total Tier 1 capital	<u>176,090</u>	<u>176,136</u>
Tier 2 capital		
Subordinated debt	54,000	54,000
Allowance for classified assets of “normal” category and excess allowance	<u>17,203</u>	<u>15,568</u>
Total Tier 2 capital	<u>71,203</u>	<u>69,568</u>
Total capital funds	<u>247,293</u>	<u>245,704</u>
Total risk weighted assets	1,564,974	1,527,568
Total capital / Total risk weighted assets (minimum 8.50%)	15.8%	16.1%
Total Tier 1 capital / Total risk weighted assets (minimum 6.00%)	11.3%	11.5%
Total Tier 1 common equity / Total risk weighted assets (minimum 4.50%)	11.3%	11.5%
Total Tier 2 capital / Total risk weighted assets	4.5%	4.6%

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Disclosures of capital maintenance information under the Notification of the Bank of Thailand number Sor Nor Sor 25/2552 dated 14 December 2009, the Public Disclosures of Capital Maintenance for Commercial Banks, the Notification of the Bank of Thailand number Sor Nor Sor 6/2553 dated 18 June 2010, Consolidated Supervision, the Notification of the Bank of Thailand number Sor Nor Sor 13/2555 dated 8 November 2012, Capital Components for Locally-Registered Commercial Banks and the Notification of the Bank of Thailand number Sor Nor Sor 19/2555 dated 17 December 2012, Consolidated Supervision (#2) are as follows:

Location of disclosure	The Bank's website under Investor Relations section at http://www.scb.co.th/en/about-scb/investor-relations/financial-information/pillar
Date of disclosure	Within 4 months after the year end date as indicated in the notification.
Information as of	31 December 2012

Capital management

The Bank and its subsidiaries policies are to maintain a strong capital base so as to provide a cushion against future uncertainties, engender market confidence in the Bank's robustness and to support business growth. Further, the impact of the level of capital on shareholders' return is also considered together with the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security afforded by a sound capital position.

The Bank and its subsidiaries have complied with BoT imposed capital requirements throughout the period and, as noted in the table above, its capital level is well in excess of the minimum requirements.

5 Investments, net

5.1 Classification of investments in securities

As at 31 March 2013 and 31 December 2012, the investments in securities of the Bank and its subsidiaries were classified as follows:

	Consolidated		The Bank	
	31 March 2013 Fair value	31 December 2012 Fair value	31 March 2013 Fair value	31 December 2012 Fair value
	<i>(in million Baht)</i>			
Trading securities				
Government and state enterprise securities	31,102	19,330	31,099	19,330
Corporate debt securities	706	886	706	886
Domestic equity securities	91	27	-	-
Total	31,899	20,243	31,805	20,216

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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	Consolidated		The Bank	
	31 March 2013 Fair value	31 December 2012 Fair value	31 March 2013 Fair value	31 December 2012 Fair value
	<i>(in million Baht)</i>			
Available-for-sale securities				
Government and state enterprise securities	258,388	292,225	253,831	284,711
Corporate debt securities	6,801	6,273	-	-
Foreign debt securities	230	234	230	234
Domestic equity securities	26,911	25,037	17,647	16,841
Foreign equity securities	1,717	1,601	1,717	1,601
Other securities	2,455	2,380	85	85
Total	296,502	327,750	273,510	303,472

	Consolidated		The Bank	
	31 March 2013 Cost / Amortised cost	31 December 2012 Cost / Amortised cost	31 March 2013 Cost / Amortised cost	31 December 2012 Cost / Amortised cost
	<i>(in million Baht)</i>			
Held-to-maturity securities				
Government and state enterprise securities	103,081	97,135	21,437	21,720
Corporate debt securities	10,963	9,775	783	778
Foreign debt securities	1,232	1,163	500	429
Other securities	2,401	2,401	-	-
Total	117,677	110,474	22,720	22,927
Less allowance for impairment	(924)	(924)	(757)	(757)
Total	116,753	109,550	21,963	22,170

	Consolidated		The Bank	
	31 March 2013 Cost	31 December 2012 Cost	31 March 2013 Cost	31 December 2012 Cost
	<i>(in million Baht)</i>			
General investments				
Domestic non-marketable equity securities	949	948	910	910
Foreign non-marketable equity securities	17	17	17	17
Total	966	965	927	927
Less allowance for impairment	(212)	(211)	(185)	(185)
Total	754	754	742	742
Total investments, net	445,908	458,297	328,020	346,600

As at 31 March 2013, the Bank and a subsidiary classified promissory notes which were issued by the Thai Asset Management Corporation (TAMC) upon entering into an Asset Transfer Agreement for the transfer of sub-quality assets, as held-to-maturity debt securities - government and state enterprise securities of Baht 2,095 million in both the consolidated financial statements and in the Bank's financial statements (31 December 2012: Baht 2,095 million) (see Note 6.5).

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5.2 Investments in companies with problems in their financial positions

As at 31 March 2013, the Bank and its subsidiaries held investments in a number of securities issued by companies with problems in their financial positions and operating results. The Bank and its subsidiaries have previously made a provision for diminution in the value of securities equal to the amount by which the aggregate cost exceeds the aggregate market value. There is no material change from the 31 December 2012 financial statements.

6 Loans to customers and accrued interest receivables, net

6.1 Classified by business type and quality of loan classification as at 31 March 2013 and 31 December 2012

	Consolidated											
	31 March 2013					31 December 2012						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	19,167	39	34	78	11	19,329	12,443	113	35	270	28	12,889
Manufacturing and commercial	526,306	5,669	1,638	1,328	13,912	548,853	499,056	4,532	2,307	913	13,088	519,896
Real estate and construction	110,886	3,228	134	152	2,556	116,956	109,405	3,317	212	40	2,528	115,502
Utilities and services	212,275	1,748	2,063	400	1,401	217,887	195,459	1,935	2,243	392	953	200,982
Housing loans	370,383	7,048	2,330	2,544	2,415	384,720	356,819	7,137	2,551	1,894	2,853	371,254
Others	292,167	8,778	2,369	1,244	2,214	306,772	313,291	8,106	2,502	954	2,110	326,963
Total *	<u>1,531,184</u>	<u>26,510</u>	<u>8,568</u>	<u>5,746</u>	<u>22,509</u>	<u>1,594,517</u>	<u>1,486,473</u>	<u>25,140</u>	<u>9,850</u>	<u>4,463</u>	<u>21,560</u>	<u>1,547,486</u>

	The Bank											
	31 March 2013					31 December 2012						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	19,095	39	34	78	11	19,257	12,394	113	35	270	28	12,840
Manufacturing and commercial	525,540	5,669	1,638	1,328	13,890	548,065	498,466	4,532	2,306	914	13,066	519,284
Real estate and construction	110,883	3,228	134	152	1,488	115,885	109,402	3,316	212	40	1,452	114,422
Utilities and services	211,947	1,748	2,063	400	1,401	217,559	195,178	1,936	2,242	392	953	200,701
Housing loans	370,378	7,048	2,330	2,544	2,415	384,715	356,814	7,137	2,551	1,894	2,853	371,249
Others	288,780	8,728	2,360	1,240	1,062	302,170	309,744	8,020	2,488	943	951	322,146
Total *	<u>1,526,623</u>	<u>26,460</u>	<u>8,559</u>	<u>5,742</u>	<u>20,267</u>	<u>1,587,651</u>	<u>1,481,998</u>	<u>25,054</u>	<u>9,834</u>	<u>4,453</u>	<u>19,303</u>	<u>1,540,642</u>

* Net of deferred revenue

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6.2 Loans classified by quality as at 31 March 2013 and 31 December 2012 (inclusive of accrued interest receivables)

	Consolidated							Total
	31 March 2013							
	Loans and accrued interest receivables <i>(in million Baht)</i>	Cashflow approach (All loans except for HP loans)			Collective approach (HP loans)			
Net amount used to set the allowance for doubtful accounts		% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***			
Minimum allowance of BoT regulations								
- Normal	1,534,528	1,320,030*	1	13,172	172,828	1,574	14,746	
- Special Mention	26,652	19,836*	2	396	6,273	840	1,236	
- Sub - Standard	8,596	3,263**	100	3,263	1,158	403	3,666	
- Doubtful	5,747	1,594**	100	1,594	947	329	1,923	
- Doubtful Loss	22,540	13,508**	100	13,508	1,772	859	14,367	
Total	<u>1,598,063</u>	<u>1,358,231</u>		<u>31,933</u>	<u>182,978</u>	<u>4,005</u>	<u>35,938</u>	
Allowance established in excess of BoT regulations							<u>16,930</u>	
Total							<u>52,868</u>	

* Net of cash and near cash collateral

** Net of PV cash flow from loan receivables or selling collateral

*** Excluding revaluation allowance for debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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	Consolidated							Total
	31 December 2012							
	Cashflow approach (All loans except for HP loans)				Collective approach (HP loans)			
Loans and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts ^{***}	Net amount used to set the allowance for doubtful accounts <i>(in million Baht)</i>	Allowance for doubtful accounts ^{***}			
Minimum allowance of BoT regulations								
- Normal	1,489,739	1,279,928 [*]	1	12,774	163,499	1,510	14,284	
- Special Mention	25,278	18,968 [*]	2	379	5,766	832	1,211	
- Sub - Standard	9,878	3,684 ^{**}	100	3,684	1,145	415	4,099	
- Doubtful	4,463	1,304 ^{**}	100	1,304	648	237	1,541	
- Doubtful Loss	21,591	12,568 ^{**}	100	12,568	1,528	791	13,359	
Total	<u>1,550,949</u>	<u>1,316,452</u>		<u>30,709</u>	<u>172,586</u>	<u>3,785</u>	<u>34,494</u>	
Allowance established in excess of BoT regulations							<u>17,016</u>	
Total							<u>51,510</u>	

* Net of cash and near cash collateral

** Net of PV cash flow from loan receivables or selling collateral

*** Excluding revaluation allowance for debt restructuring

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	The Bank							Total
	31 March 2013							
	Cashflow approach (All loans except for HP loans)			Collective approach (HP loans)				
Loans and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts ^{***}	Net amount used to set the allowance for doubtful accounts <i>(in million Baht)</i>	Allowance for doubtful accounts ^{***}			
Minimum allowance of BoT regulations								
- Normal	1,529,832	1,316,000 [*]	1	13,160	172,298	1,573	14,733	
- Special Mention	26,602	19,836 [*]	2	396	6,223	840	1,236	
- Sub - Standard	8,588	3,263 ^{**}	100	3,263	1,149	396	3,659	
- Doubtful	5,742	1,594 ^{**}	100	1,594	943	326	1,920	
- Doubtful Loss	20,267	12,304 ^{**}	100	12,304	1,082	377	12,681	
Total	<u>1,591,031</u>	<u>1,352,997</u>		<u>30,717</u>	<u>181,695</u>	<u>3,512</u>	<u>34,229</u>	
Allowance established in excess of BoT regulations							<u>16,889</u>	
Total							<u>51,118</u>	

* Net of cash and near cash collateral

** Net of PV cash flow from loan receivables or selling collateral

*** Excluding revaluation allowance for debt restructuring

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	The Bank							Total
	31 December 2012							
	Cashflow approach (All loans except for HP loans)			Collective approach (HP loans)				
Loans and accrued interest receivables	Net amount used to set the allowance for doubtful accounts <i>(in million Baht)</i>	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts <i>(in million Baht)</i>	Allowance for doubtful accounts***			
Minimum allowance of BoT regulations								
- Normal	1,485,140	1,276,420*	1	12,764	162,531	1,510	14,274	
- Special Mention	25,192	18,968*	2	380	5,681	831	1,211	
- Sub - Standard	9,863	3,684**	100	3,684	1,129	404	4,088	
- Doubtful	4,453	1,304**	100	1,304	638	229	1,533	
- Doubtful Loss	19,303	11,356**	100	11,356	832	303	11,659	
Total	<u>1,543,951</u>	<u>1,311,732</u>		<u>29,488</u>	<u>170,811</u>	<u>3,277</u>	<u>32,765</u>	
Allowance established in excess of BoT regulations							<u>16,975</u>	
Total							<u>49,740</u>	

* Net of cash and near cash collateral

** Net of PV cash flow from loan receivables or selling collateral

*** Excluding revaluation allowance for debt restructuring

Based on management's assessment of the ultimate collectability of the Bank's consolidated loan portfolio, the Bank and its subsidiaries believe that the allowance for doubtful accounts established was adequate as at 31 March 2013 and 31 December 2012 and in compliance with the BoT's guidelines. The aggregate allowance is based on both quantitative criteria noted above and management judgment of qualitative criteria.

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6.3 Loans to listed companies identified for delisting

	Consolidated							
	31 March 2013				31 December 2012			
	No. of companies	Loans and interest receivables* (in million Baht)	Collateral	Amount of provision	No. of companies	Loans and interest receivables* (in million Baht)	Collateral	Amount of provision
Listed companies identified for delisting	5	3,326	687	3,333	5	3,326	686	3,334

	The Bank							
	31 March 2013				31 December 2012			
	No. of companies	Loans and interest receivables* (in million Baht)	Collateral	Amount of Provision	No. of companies	Loans and interest receivables* (in million Baht)	Collateral	Amount of provision
Listed companies identified for delisting	5	3,326	687	3,333	5	3,326	686	3,334

* Including loans to financial institutions but excluding other expenses

6.4 Non-Performing Loans

As at 31 March 2013 and 31 December 2012, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful loss and loss under the BoT's guideline. The amounts are as follows:

	Consolidated		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Non-Performing Loans (net of allowance for doubtful accounts)	16,676	17,006	16,465	16,433
% of Non-Performing Loans to total loans (net)	0.9	1.0	0.9	1.0
Non-Performing Loans (gross)	36,823	35,873	34,568	33,590
% of Non-Performing Loans to total loans	2.1	2.1	1.9	2.0

As at 31 March 2013, Rutchayothin Assets Management Co., Ltd. which is a subsidiary of the Bank, had Non-Performing Loans of Baht 489 million (31 December 2012: Baht 489 million). However, the Non-Performing Loans based on principal of loan purchased from the group as at 31 March 2013 was Baht 1,081 million (31 December 2012: Baht 1,088 million).

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6.5 Sales of loan receivables to the Thai Asset Management Corporation (“TAMC”)

The information regarding the transfer of a portion of sub-quality assets to TAMC according to the Asset Transfer Agreement of the Bank and a subsidiary since 2001 were as follows:

	Consolidated		The Bank	
	31 March 2013**	31 December 2012**	31 March 2013*	31 December 2012*
	<i>(in million Baht)</i>			
Total net amount of sub-quality assets transferred to TAMC since 2001	10,033	10,033	9,825	9,825
Promissory notes received	10,033	10,033	9,825	9,825

* Net of adjustment of selling price of loans sold to TAMC of Baht 738 million

** Net of adjustment of selling price of loans sold to TAMC of Baht 869 million

On 12 October 2001, the Bank and a subsidiary entered into an Asset Transfer Agreement with the Thai Asset Management Corporation (“TAMC”). Under the agreement, the Bank transferred sub-quality assets including the right over the collateral to TAMC at specific terms and conditions. The price of transferred loans was equal to the value of the collateral, provided it did not exceed the book value of such loans. The Bank and TAMC reserved the right to request for reappraisal given specified conditions. Once TAMC and the Bank agreed the price, the Bank received a non-negotiable promissory note from TAMC. The note matures in 10 years from the issue date with the interest rate calculated based on the average rate of deposits. The note is availed by the Financial Institution Development Fund (see Note 5.1).

The Bank and TAMC agreed to recognise any profits or losses from the management of the sub-quality assets at the end of the fifth and the tenth year starting from 1 July 2001. The profits or losses were to be calculated based on all accumulated asset recoveries on a cash basis up to the date of calculation of such profits or losses less the transfer costs and other operating expenses incurred by TAMC including all interest paid by TAMC to the Bank. In addition, pursuant to the TAMC Decree B.E. 2544, when any profits were realised, the first portion of the profits, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC, was to be allocated between TAMC and the Bank. The second portion of the profits was to be given to the Bank. The two portions of the profits together would not exceed the difference between the book value of sub-quality assets and the transfer price of sub-quality assets transferred to TAMC. All residual amount of profit would be given to TAMC. In the case of losses it will be shared between TAMC and the Bank. The Bank would take the first portion of losses, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC. The residual amount of the first portion of losses, not exceeding 20% of the transfer price of sub-quality assets transferred to TAMC, would be shared between TAMC and the Bank. All of the residual amount of the loss will be absorbed by TAMC. As at 31 March 2013, the consolidated and the Bank’s provision for possible loss was estimated to be Baht 1,186 million and Baht 1,145 million, respectively (*31 December 2012: Baht 986 million and Baht 945 million, respectively*), which is presented under provisions in the statement of financial position.

TAMC, which was established by legislation for a specified period, is now being liquidated as intended. The promissory notes to the Bank will be settled by the liquidator in due course and the Bank expects that the provision it has established is sufficient to cover any shortfall.

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7 Troubled debt restructuring

The financial statements for the three-month periods ended 31 March 2013 and 2012, include the result of various types of troubled debt restructuring including transfers of assets (and type of asset) and equity securities, and changes in repayment conditions as follows:

Types of debt restructuring	No. of accounts		Consolidated				Transferred assets		
			Outstanding debts		Types	Fair value			
			Before debt restructuring	After debt restructuring		2013	2012		
2013	2012	2013	2012	2013	2012	2013	2012		
Debt restructuring in various forms	156	101	827	912	827	911	Immovable properties	-	1
Changes of repayment conditions	1,139	865	2,185	1,082	2,177	1,072			
Total	1,295	966	3,012	1,994	3,004	1,983			

Types of debt restructuring	No. of accounts		The Bank				Transferred assets		
			Outstanding debts		Types	Fair value			
			Before debt restructuring	After debt restructuring		2013	2012		
2013	2012	2013	2012	2013	2012	2013	2012		
Debt restructuring in various forms	156	101	827	912	827	911	Immovable properties	-	1
Changes of repayment conditions	1,139	865	2,185	1,082	2,177	1,072			
Total	1,295	966	3,012	1,994	3,004	1,983			

As at 31 March 2013 and 2012, troubled debt restructuring compared with total loans including loans to financial institutions were as follows:

	Consolidated			
	2013		2012	
	No. of accounts	The outstanding debts (in million Baht)	No. of accounts	The outstanding debts (in million Baht)
Troubled debt restructuring during the period	1,295	3,012	966	1,994
Total loans including loans to financial institutions	902,123	1,794,407	643,187	1,491,257

	The Bank			
	2013		2012	
	No. of accounts	The outstanding debts (in million Baht)	No. of accounts	The outstanding debts (in million Baht)
Troubled debt restructuring during the period	1,295	3,012	966	1,994
Total loans including loans to financial institutions	843,915	1,782,401	552,317	1,466,698

The average term of troubled debt restructuring as of 31 March 2013 is 13.2 years (31 March 2012: 11.4 years).

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As at 31 March 2013 and 31 December 2012, the Bank and its subsidiaries have outstanding balances relating to restructured loans as follows:

	Consolidated		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	<i>(in million Baht)</i>			
Restructured loans which are classified as NPL	7,853	7,846	7,852	7,845
Restructured loans which are not classified as NPL	25,604	24,888	25,604	24,888
Total	33,457	32,734	33,456	32,733

Supplementary information relating to restructuring debtors for the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Interest income recognised in statements of comprehensive income	523	417	523	417
Loss on debt restructuring recognised in statements of comprehensive income	2	1	2	1
Cash collection	895	3,477	895	3,477

8 Allowance for doubtful accounts

As at 31 March 2013 and 31 December 2012, the changes to the allowance for doubtful accounts were as follows:

	Consolidated					Allowance established in excess of BoT regulations	Total
	31 March 2013						
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss		
	<i>(in million Baht)</i>						
Beginning balance	14,284	1,211	4,099	1,541	13,359	17,016	51,510
Bad debt and doubtful accounts *	462	25	(433)	382	1,778	(23)	2,191
Bad debt written off	-	-	-	-	(770)	-	(770)
Others	-	-	-	-	-	(63)	(63)
Ending balance	14,746	1,236	3,666	1,923	14,367	16,930	52,868

* Before deducting bad debt recovered of Baht 269 million

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Consolidated							
31 December 2012							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	11,938	144	3,033	4,819	11,323	14,148	45,405
Bad debt and doubtful accounts *	2,369	1,076	1,349	(3,394)	6,196	2,446	10,042
Bad debt written off	-	-	-	-	(4,145)	-	(4,145)
Others	(23)	(9)	(283)	116	(15)	422	208
Ending balance	<u>14,284</u>	<u>1,211</u>	<u>4,099</u>	<u>1,541</u>	<u>13,359</u>	<u>17,016</u>	<u>51,510</u>

* Before deducting bad debt recovered of Baht 1,022 million

The Bank							
31 March 2013							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	14,274	1,211	4,088	1,533	11,659	16,975	49,740
Bad debt and doubtful accounts *	459	25	(429)	387	1,783	(21)	2,204
Bad debt written off	-	-	-	-	(761)	-	(761)
Others	-	-	-	-	-	(65)	(65)
Ending balance	<u>14,733</u>	<u>1,236</u>	<u>3,659</u>	<u>1,920</u>	<u>12,681</u>	<u>16,889</u>	<u>51,118</u>

* Before deducting bad debt recovered of Baht 252 million

The Bank							
31 December 2012							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
Beginning balance	11,857	115	2,528	4,435	8,601	13,798	41,334
Transfer from business combination	43	16	211	488	973	72	1,803
Bad debt and doubtful accounts *	2,374	1,080	1,349	(3,390)	6,092	2,961	10,466
Bad debt written off	-	-	-	-	(4,007)	-	(4,007)
Others	-	-	-	-	-	144	144
Ending balance	<u>14,274</u>	<u>1,211</u>	<u>4,088</u>	<u>1,533</u>	<u>11,659</u>	<u>16,975</u>	<u>49,740</u>

* Before deducting bad debt recovered of Baht 857 million

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9 Classified assets

The Bank and its subsidiaries have classified assets as at 31 March 2013 and 31 December 2012 as follows:

Consolidated						
31 March 2013						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,534,528	197,124	-	-	37	1,731,689
Special Mention	26,652	-	-	-	2	26,654
Sub-Standard	8,596	-	-	-	1	8,597
Doubtful	5,747	-	-	-	1	5,748
Doubtful Loss	22,540	-	1,480	778	809	25,607
	<u>1,598,063</u>	<u>197,124</u>	<u>1,480</u>	<u>778</u>	<u>850</u>	<u>1,798,295</u>

Consolidated						
31 December 2012						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,489,739	136,285	-	-	33	1,626,057
Special Mention	25,278	-	-	-	2	25,280
Sub-Standard	9,878	-	-	-	1	9,879
Doubtful	4,463	-	-	-	1	4,464
Doubtful Loss	21,591	-	1,479	775	793	24,638
	<u>1,550,949</u>	<u>136,285</u>	<u>1,479</u>	<u>775</u>	<u>830</u>	<u>1,690,318</u>

The Bank						
31 March 2013						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,529,832	191,370	-	-	37	1,721,239
Special Mention	26,602	-	-	-	2	26,604
Sub-Standard	8,588	-	-	-	1	8,589
Doubtful	5,742	-	-	-	1	5,743
Doubtful Loss	20,267	-	1,797	771	615	23,450
	<u>1,591,031</u>	<u>191,370</u>	<u>1,797</u>	<u>771</u>	<u>656</u>	<u>1,785,625</u>

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* Excluding any deferred revenue

The Bank						
31 December 2012						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
<i>(in million Baht)</i>						
Normal	1,485,140	130,505	-	-	33	1,615,678
Special Mention	25,192	-	-	-	2	25,194
Sub-Standard	9,863	-	-	-	1	9,864
Doubtful	4,453	-	-	-	1	4,454
Doubtful Loss	19,303	-	1,817	767	600	22,487
	<u>1,543,951</u>	<u>130,505</u>	<u>1,817</u>	<u>767</u>	<u>637</u>	<u>1,677,677</u>

* Excluding any deferred revenue

10 Assets pledged as collateral and under restriction

As at 31 March 2013 and 31 December 2012, assets pledged as collateral and under restriction were as follows:

	Consolidated		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>				
Deposits	1	1	-	-
Investments				
Securities pledged as collateral for repurchase agreements	44,495	37,427	44,495	37,427
Others	25,621	19,647	119	119
Total	<u>70,117</u>	<u>57,075</u>	<u>44,614</u>	<u>37,546</u>

11 Contingencies

As at 31 March 2013 and 31 December 2012, contingencies were as follows:

	Consolidated		The Bank	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
<i>(in million Baht)</i>				
Avals to bills	4,486	3,487	4,486	3,487
Guarantees of loans	492	578	445	543
Liability under unmatured import bills	9,247	8,413	9,247	8,413
Letter of credit	17,956	16,502	17,855	16,447
Other contingencies				
- Amount of unused bank overdraft	124,645	122,089	124,234	121,730
- Other guarantees	165,382	159,907	164,792	159,378
- Receivables / payables from investments	13,319	6,482	12,494	6,384
- Others	73	95	-	-
Total	<u>335,600</u>	<u>317,553</u>	<u>333,553</u>	<u>316,382</u>

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As at 31 March 2013, the Bank had commitments of Baht 3 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2012: Baht 3 million).

12 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and its subsidiaries and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has business transactions with related parties or persons. Interest rate for staff loans under the staff welfare scheme is charged in accordance with the Bank's regulations for such loans. Interest rate and other pricing for other related parties are at the same rate as in the normal course of business with the same business conditions as general customers. The transactions with related parties or persons were as follows:

12.1 Loans, deposits, borrowings and contingencies

Loans, deposits, borrowings and contingencies to related parties or persons as at 31 March 2013 and 31 December 2012 were as follows:

	31 March 2013		Consolidated		31 December 2012			
	Loans*	Deposits	Borrowings	Contingencies	Loans*	Deposits	Borrowings	Contingencies
	<i>(in million Baht)</i>							
Associates	-	14	-	-	-	5	-	-
Related companies (Shareholding through debt restructuring process)	-	83	-	32	-	71	-	32
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	6,107	500	-	-	4,612	500	-
Entities in which the directors, management or close members of their families have significant influence	-	689	70	2	-	593	70	2
Directors and key executive officers	100	615	27	-	114	620	27	-
Total	100	7,508	597	35	114	5,901	597	35

* Net of specific provision (1%)

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	The Bank							
	31 March 2013				31 December 2012			
	Loans *	Deposits	Borrow- ings	Contin- gencies	Loans *	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Subsidiaries								
Finance & Insurance	-	6,288	1,256	3,591	-	4,280	1,749	1,519
Others	-	256	-	-	-	3,387	-	-
Total subsidiaries	-	6,544	1,256	3,591	-	7,667	1,749	1,519
Associates	-	14	-	-	-	5	-	-
Related companies (Shareholding through debt restructuring process)	-	83	-	32	-	71	-	32
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	6,107	500	-	-	4,612	500	-
Entities in which the directors, management or close members of their families have significant influence	-	689	70	2	-	593	70	2
Directors and key executive officers	100	615	27	-	114	620	27	-
Total	100	14,052	1,853	3,626	114	13,568	2,346	1,554

* Net of specific provision (1%)

12.2 Income and expenses

Income and expenses between the Bank and its subsidiaries, associates and related companies for the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated							
	2013				2012			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Associates	-	-	-	-	-	-	-	-
Major shareholder	-	-	38	5	-	-	14	4

	The Bank							
	2013				2012			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	5	5,537	19	545	7	1,977	45	477
Associates	-	-	-	-	-	-	-	-
Major shareholder	-	-	38	5	-	-	14	4

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13 Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, holding the position of Executive Vice President or higher.

The Bank has not paid benefits to directors and executives other than the benefits that are normally paid such as meeting allowances, reward, salary, bonus, cost of living allowance, transportation charges and fringe benefits according to the Bank's regulations.

<i>For the three-month periods ended 31 March</i>	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Short-term employee benefits	524	530	421	436
Post-employment benefits	7	1	5	-
Termination benefits	-	15	-	-
Total	531	546	426	436

14 Segment information

As at 31 March 2013 and 2012, information about reportable segments was as follows:

Information on the Bank's operating model and business segments is set out in the annual report. Specifically, the Bank has four Business Groups: the Wholesale Banking Group (WBG); the Business Banking Group (BBG, serving SME clients); the Retail Banking Group (RBG, serving individuals and small businesses); and the Special Business Group (SBG, handling mainly NPL workout). In addition, the Bank has four major subsidiaries: SCB Securities Co., Ltd.; SCB Asset Management Co., Ltd.; The Siam Commercial Samaggi PCL; and SCB Life Assurance PCL.

In the information provided below, the results of the four subsidiaries together with the income from the Banks' investments, interbank and money market, less any impairment loss that is not allocated to a specific business unit, are presented under the "Others" column. Further, the performance of SBG and the results of ALCO activities are allocated back to the three business units (WBG, BBG, RBG) within the table below. With respect to fee income earned by subsidiaries, it is further allocated to the appropriate business unit (WBG, BBG or RBG) in the Management Discussion and Analysis.

The Bank has determined that the Chief Operating Decision Maker is the Executive Committee. Financial information of the Business Groups summarised in accordance with TAS 34, is as follows:

<i>For the three-month period ended 31 March 2013</i>	WBG	BBG	Consolidated		Total
			RBG	Others	
	<i>(in million Baht)</i>				
Operating income	5,808	4,224	15,325	4,192	29,549
Operating expenses	(1,635)	(1,192)	(7,724)	(274)	(10,825)
Profit before impairment loss and income tax	4,173	3,032	7,601	3,918	18,724
Impairment loss and income tax	(1,082)	(1,202)	(3,130)	(83)	(5,497)
SBG and ALCO allocation	505	419	1,115	(2,039)	-
Net profit	3,596	2,249	5,586	1,796	13,227

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<i>For the three-month period ended 31 March 2012</i>	Consolidated (Restated)				
	WBG	BBG	RBG	Others	Total
	<i>(in million Baht)</i>				
Operating income	5,556	3,503	12,236	2,995	24,290
Operating expenses	(1,475)	(1,086)	(6,827)	(235)	(9,623)
Profit before impairment loss and income tax	4,081	2,417	5,409	2,760	14,667
Impairment loss and income tax	(675)	(1,123)	(1,920)	(853)	(4,571)
SBG and ALCO allocation	305	850	1,057	(2,212)	-
Net profit	3,711	2,144	4,546	(305)	10,096

15 The financial position and results of operations classified by domestic and foreign business

15.1 As at 31 March 2013 and 31 December 2012, the financial position classified by domestic and foreign business was as follows:

	Consolidated					
	31 March 2013			31 December 2012		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	2,283,773	80,746	2,364,519	2,198,487	71,580	2,270,067
Interbank and money market items, net (Assets)	215,846	10,140	225,986	156,100	6,655	162,755
Investments, net*	446,137	396	446,533	458,628	315	458,943
Loans to customers and accrued interest receivables, net	1,518,072	26,672	1,544,744	1,473,139	25,854	1,498,993
Deposits	1,644,196	11,944	1,656,140	1,602,443	11,616	1,614,059
Interbank and money market items (Liabilities)	110,362	14,112	124,474	97,874	9,189	107,063
Debt issued and borrowings	84,329	44,275	128,604	86,288	46,289	132,577

	The Bank					
	31 March 2013			31 December 2012		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	2,155,906	75,725	2,231,631	2,078,254	67,062	2,145,316
Interbank and money market items, net (Assets)	205,518	6,506	212,024	146,270	3,271	149,541
Investments, net*	355,527	396	355,923	374,187	316	374,503
Loans to customers and accrued interest receivables, net	1,513,952	25,509	1,539,461	1,468,828	24,937	1,493,765
Deposits	1,650,248	7,909	1,658,157	1,606,481	8,108	1,614,589
Interbank and money market items (Liabilities)	112,110	14,112	126,222	102,718	9,189	111,907
Debt issued and borrowings	84,143	44,275	128,418	86,199	46,289	132,488

* Included investments in subsidiaries and associates, net

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15.2 The results of operations classified by domestic and foreign business for the three-month periods ended 31 March 2013 and 2012 were as follows:

	Consolidated							
	2013			2012				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	28,413	696	(590)	28,519	23,616	527	(380)	23,763
Interest expense	(11,299)	(573)	590	(11,282)	(9,592)	(380)	380	(9,592)
Net interest income	17,114	123	-	17,237	14,024	147	-	14,171
Net fees and service income	5,978	13	-	5,991	5,040	23	-	5,063
Other operating income	6,334	(13)	-	6,321	5,064	(8)	-	5,056
Other operating expenses	(13,300)	(43)	-	(13,343)	(11,021)	(49)	-	(11,070)
Profit before tax	<u>16,126</u>	<u>80</u>	<u>-</u>	<u>16,206</u>	<u>13,107</u>	<u>113</u>	<u>-</u>	<u>13,220</u>

	The Bank							
	2013			2012				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	27,165	677	(590)	27,252	22,362	513	(380)	22,495
Interest expense	(11,312)	(572)	590	(11,294)	(9,572)	(379)	380	(9,571)
Net interest income	15,853	105	-	15,958	12,790	134	-	12,924
Net fees and service income	7,321	1	-	7,322	6,049	13	-	6,062
Other operating income	6,278	(15)	-	6,263	2,686	(9)	-	2,677
Other operating expenses	(12,742)	(26)	-	(12,768)	(10,277)	(36)	-	(10,313)
Profit before tax	<u>16,710</u>	<u>65</u>	<u>-</u>	<u>16,775</u>	<u>11,248</u>	<u>102</u>	<u>-</u>	<u>11,350</u>

As disclosed in Note 3(d), following the adoption of TFRS 8 - Operating Segments from 1 January 2013, the Bank and its subsidiaries have changed its policy for reporting information on operating segments.

16 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The consolidated and the Bank's effective tax rate in respect of continuing operations for the three-month period ended 31 March 2013 were 18% and 15% , respectively (*31 March 2012: 24% and 24%, respectively*). This change in effective tax rate was caused mainly by the following factors:

- Reduction in the corporate income tax rate from 23% for 2012 to 20% for 2013 pursuant to the Cabinet announcement on 11 October 2011.
- Tax incentive obtained during the first quarter of 2013.

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17 Basic earnings per share

Basic earnings per share for the three-month periods ended 31 March 2013 and 2012 were calculated as follows:

	Consolidated		The Bank	
	2013	2012	2013	2012
	<i>(in million Baht / million shares)</i>			
Profit for the period attributable to ordinary shareholders of the Bank (basic)	13,116	10,024	14,272	8,682
Number of ordinary and preference shares during the period	3,399	3,399	3,399	3,399
Earnings per share (basic) (in Baht)	3.86	2.95	4.20	2.55

The preference of the preference shares expired in 2009, therefore, their rights are equivalent to ordinary shares. Basic earnings per share for the three-month periods ended 31 March 2013 and 2012 are calculated from the profit for the period attributable to ordinary shareholders of the Bank divided by the total number of ordinary and preference shares during the period.

18 Events after the reporting period

18.1 65,720 preference shares have been converted into 65,720 ordinary shares. The Bank registered the conversion of the preference shares with the Ministry of Commerce on 11 April 2013.

18.2 At the annual general meeting of the shareholders of the Bank held on 4 April 2013, the shareholders approved the appropriation of dividend of Baht 3.50 per share, amounting to Baht 11,897 million. The dividend was paid to shareholders on 3 May 2013.

19 Thai Financial Reporting Standards not yet adopted

The Bank and its subsidiaries have not adopted the new TFRS and interpretations that have been issued as of the reporting date but are not yet effective. Those new TFRS and interpretations that are applicable to the Bank and its subsidiaries, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS/TFRIC/TSIC	Topic	Year Effective
TFRS 4	Insurance contracts	2016
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TSIC 29	Service Concession Arrangements - Disclosure	2014

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Management expects to adopt and apply these new TFRS and interpretations in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and the Bank's financial statements of these new TFRS and interpretations and expects that there will be no material impact on the financial statements in the period of initial application.

20 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2012 and the statements of comprehensive income for the three-month period ended 31 March 2012, which are included in the 2013 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2013 interim financial statements. These reclassifications have principally been made following changes in accounting policies consequent to the adoption of new and revised TAS and TFRS reporting as disclosed in note 3. There were no other significant reclassifications of accounts.