

TISCO Financial Group Public Company Limited  
and its subsidiary companies  
Report and consolidated interim financial statements  
31 March 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of TISCO Financial Group Public Company Limited

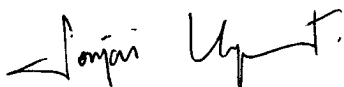
I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 31 March 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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



Somjai Khunapasut  
Certified Public Accountant (Thailand) No. 4499

EY Office Limited  
Bangkok: 10 May 2019

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash		1,359,792	1,191,800	70	70
Interbank and money market items - net		48,726,005	54,071,389	613,165	641,395
Derivatives assets	4.2	-	5,685	-	-
Investments - net	4.3, 4.7	7,410,832	9,012,345	836,818	780,284
Investments in subsidiaries and joint venture - net	4.4	763,699	800,151	20,069,126	20,069,127
Loans to customers and accrued interest receivables	4.5, 4.7				
Loans to customers		262,290,031	261,056,899	2,345,000	2,075,000
Accrued interest receivables		639,431	642,526	-	-
Total loans to customers and accrued interest receivables		262,929,462	261,699,425	2,345,000	2,075,000
Less: Deferred revenue		(20,590,048)	(20,402,559)	-	-
Less: Allowance for doubtful accounts	4.6	(11,509,585)	(11,665,492)	-	-
Less: Allowance for loss on debt restructuring	4.6	(7,945)	(8,146)	-	-
Loans to customers and accrued interest receivables - net		230,821,884	229,623,228	2,345,000	2,075,000
Properties foreclosed - net		15,977	10,857	-	-
Investment properties		28,709	39,388	955,266	831,043
Premises and equipment - net		2,992,606	2,992,229	817,167	957,714
Intangible assets - net		413,426	448,222	143,182	159,531
Deferred tax assets		1,091,200	991,525	145,174	152,571
Securities and derivatives business receivables - net		2,016,178	948,528	-	-
Dividend receivable from subsidiaries		-	-	-	5,258,642
Other assets	4.8	2,259,395	2,409,287	158,418	166,983
<b>Total assets</b>		<b>297,899,703</b>	<b>302,544,634</b>	<b>26,083,386</b>	<b>31,092,360</b>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2019**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Deposits	4.9	199,983,793	193,108,310	-	-
Interbank and money market items		4,277,045	4,374,674	-	-
Liabilities payable on demand		310,566	238,219	-	-
Derivatives liabilities	4.2	19,758	10,653	-	-
Debts issued and borrowings	4.10	40,301,919	55,556,919	585,000	5,840,000
Provision for long-term employee benefits	4.11	1,062,834	827,442	216,796	176,986
Deferred tax liabilities		5,982	8,499	-	-
Securities and derivatives business payables - net		1,322,258	995,276	-	-
Accrued interest payable		1,167,403	881,275	1,054	9,871
Income tax payable		1,211,603	753,846	15,924	4,916
Other liabilities	4.12	8,606,736	7,960,065	1,519,570	1,481,562
<b>Total liabilities</b>		<b>258,269,897</b>	<b>264,715,178</b>	<b>2,338,344</b>	<b>7,513,335</b>

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

TISCO Financial Group Public Company Limited and its subsidiaries

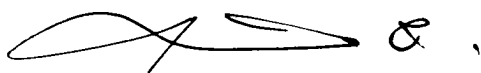
Statement of financial position (continued)

As at 31 March 2019

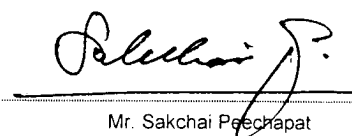
(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	31 March 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Equity</b>				
Share capital				
Registered				
	339	339	339	339
33,858 preference shares of Baht 10 each				
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	8,007,033	8,007,033	8,007,033	8,007,033
Issued and paid-up				
	99	99	99	99
9,859 preference shares of Baht 10 each				
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	8,006,555	8,006,555	8,006,555	8,006,555
Share premium				
	-	-	87	87
Share premium on preference shares				
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,436
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of equity				
	1,821,708	1,753,824	316,081	257,304
Retained earnings				
	801,000	801,000	801,000	801,000
Appropriated-statutory reserve				
Unappropriated	27,847,429	26,116,740	7,589,883	7,482,643
Equity attributable to equity holders of the Company				
	39,495,100	37,696,527	23,745,042	23,579,025
Non-controlling interest of the subsidiaries				
	134,706	132,929	-	-
<b>Total equity</b>				
	39,629,806	37,829,456	23,745,042	23,579,025
<b>Total liabilities and equity</b>				
	297,899,703	302,544,634	26,083,386	31,092,360

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



Mr. Suthas Ruangmanamongkol  
(Group Chief Executive)



Mr. Sakchai Petchapat  
(Executive Director)



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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month periods ended 31 March 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Continuing operations</b>					
Interest income	4.14	4,389,632	4,490,985	17,489	20,764
Interest expenses	4.15	(1,287,176)	(1,243,834)	(13,419)	(19,764)
<b>Net interest income</b>		<b>3,102,456</b>	<b>3,247,151</b>	<b>4,070</b>	<b>1,000</b>
Fee and service income		1,459,994	1,722,214	-	-
Fee and service expenses		(61,009)	(62,936)	(4,071)	(3,712)
<b>Net fee and service income</b>	4.16	<b>1,398,985</b>	<b>1,659,278</b>	<b>(4,071)</b>	<b>(3,712)</b>
Net losses on trading and foreign exchange transactions	4.17	(27,930)	(36,336)	(17,132)	(38,853)
Net gains on investments	4.18	4,440	254,196	-	23
Share of profit (loss) from investments accounted for under equity method	4.4	(37,200)	145,777	-	-
Dividend income		32,395	32,320	-	-
Penalty fee income from loans		78,467	87,121	-	-
Intercompany supporting fee income	4.26	-	-	574,004	523,667
Other operating income	4.20	35,664	40,143	20,821	18,266
<b>Total operating income</b>		<b>4,587,277</b>	<b>5,429,650</b>	<b>577,692</b>	<b>500,391</b>
<b>Operating expenses</b>					
Employee's expenses		1,671,094	1,459,267	286,795	271,188
Directors' remuneration		4,340	3,230	4,340	3,230
Premises and equipment expenses		306,932	291,547	146,409	114,562
Taxes and duties		74,556	80,579	2,229	2,101
Other operating expenses	4.21	259,775	461,066	23,244	23,580
<b>Total operating expenses</b>		<b>2,316,697</b>	<b>2,295,689</b>	<b>463,017</b>	<b>414,661</b>
Bad debts, doubtful accounts and impairment losses	4.19	108,208	914,280	-	-
<b>Profit from operations before income tax expenses</b>		<b>2,162,372</b>	<b>2,219,681</b>	<b>114,675</b>	<b>85,730</b>
Income tax expenses	4.22	430,898	403,276	19,052	8,028
<b>Profit for the period from continuing operations</b>		<b>1,731,474</b>	<b>1,816,405</b>	<b>95,623</b>	<b>77,702</b>
<b>Discontinued operations</b>					
<b>Loss for the period from discontinued operations</b>		<b>-</b>	<b>(37,348)</b>	<b>-</b>	<b>-</b>
<b>Total profit for the period</b>		<b>1,731,474</b>	<b>1,779,057</b>	<b>95,623</b>	<b>77,702</b>

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 periods ended 31 March 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Other comprehensive income:</b>	4.23				
<b>Continuing operations</b>					
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>					
Gains (losses) on valuation in available-for-sale investments		85,040	(27,761)	73,665	16,928
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	4.4	749	1,746	-	-
Income tax effects	4.24	(17,008)	4,008	(14,733)	(3,386)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		68,781	(22,007)	58,932	13,542
<b><i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i></b>					
Actuarial gains		-	-	14,278	-
Income tax effects		-	-	(2,856)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	-	11,422	-
<b>Other comprehensive income for the period from continuing operations</b>		68,781	(22,007)	70,354	13,542
<b>Total other comprehensive income for the period</b>		68,781	(22,007)	70,354	13,542
<b>Total comprehensive income</b>					
Total comprehensive income from continuing operations		1,800,255	1,794,398	165,977	91,244
Total comprehensive income from discontinued operations		-	(37,348)	-	-
<b>Total comprehensive income for the period</b>		1,800,255	1,757,050	165,977	91,244
<b>Profits attributable to</b>					
<b>Equity holders of the Company</b>					
Profit for the period from continuing operations		1,729,598	1,803,163	95,623	77,702
Loss for the period from discontinued operations		-	(37,348)	-	-
Profit for the period attributable to the Company		1,729,598	1,765,815	95,623	77,702
<b>Non-controlling interests of the subsidiaries</b>					
Profit for the period from continuing operations		1,876	13,242		
Profit for the period from discontinued operations		-	-		
Profit for the period attributable to non-controlling interests of the subsidiaries		1,876	13,242		
		1,731,474	1,779,057		

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 periods ended 31 March 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Total comprehensive income attributable to Equity holders of the Company</b>					
Total comprehensive income for the period from continuing operations		1,798,379	1,781,156	165,977	91,244
Total comprehensive income for the period from discontinued operations		-	(37,348)	-	-
Total comprehensive income for the period attributable to the Company		<u>1,798,379</u>	<u>1,743,808</u>	<u>165,977</u>	<u>91,244</u>
<b>Non-controlling interests of the subsidiaries</b>					
Total comprehensive income for the period from continuing operations		1,876	13,242		
Total comprehensive income for the period from discontinued operations		-	-		
Total comprehensive income for the period attributable to non-controlling interests of the subsidiaries		<u>1,876</u>	<u>13,242</u>		
		<u>1,800,255</u>	<u>1,757,050</u>		
<b>Earnings per share of equity holders of the Company</b>					
Basic earnings per share (Baht per share)	4.25				
Equity holders of the Company					
Profit from continuing operations		2.16	2.25	0.12	0.10
Loss from discontinued operations		-	(0.04)	-	-
		<u>2.16</u>	<u>2.21</u>	<u>0.12</u>	<u>0.10</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 three-month periods ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<b>Cash flows from operating activities</b>				
Profit before income tax from continuing operations	2,162,372	2,219,681	114,675	85,730
Loss before income tax from discontinued operations	-	(28,174)	-	-
Profit from operations before income tax	2,162,372	2,191,507	114,675	85,730
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	94,916	95,477	37,938	37,345
Bad debts and doubtful accounts	549,255	1,467,381	-	-
Share of (profit) loss from investments accounted for under equity method	37,200	(145,777)	-	-
Reversal of allowance for impairment of investments	(2,151)	(129)	-	-
Allowance for impairment of properties foreclosed (reversal)	(10,970)	326	-	-
Gains on disposal of investments in securities	(2,362)	(254,172)	-	-
Unrealised losses on foreign exchange transactions and trading derivatives	24,881	35,769	17,132	38,853
(Gains) losses on disposal of equipment	(367)	(1,061)	202	-
Losses on written-off of equipment	294	61	-	-
Gains on disposal of intangible assets	-	-	(13)	-
Gains on disposal of properties foreclosed	(18,673)	(23,845)	-	-
Employee benefit expenses	241,438	20,569	55,062	3,495
(Increase) decrease in accrued income	(8,748)	266,096	322	5,495
Increase in accrued expenses	287,088	455,150	141,023	153,899
Net interest income	(3,102,456)	(3,324,579)	(4,070)	(1,000)
Dividend income	(32,395)	(32,320)	-	-
Cash received on interest income	4,327,430	4,669,405	17,248	20,733
Cash paid on interest expenses	(736,668)	(822,700)	(22,236)	(49,139)
Cash received on dividend income	30,595	28,520	5,258,642	4,132,342
Cash paid on income tax	(75,173)	(96,796)	(18,196)	(16,767)
Profit from operating activities before changes in operating assets and liabilities	3,765,506	4,528,882	5,597,729	4,410,986
Operating assets (increase) decrease				
Interbank and money market items	5,345,317	1,600,655	28,230	(188,981)
Loans to customers	(2,192,202)	1,909,957	(270,000)	252,000
Securities and derivatives business receivables	(1,067,650)	737,570	-	-
Receivables from clearing house	108,743	(1,389,116)	-	-
Properties foreclosed	472,819	474,178	-	-
Assets classified as held for sale	-	1,199,363	-	-
Other assets	58,931	(149,082)	8,483	17,256

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the three-month periods ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Operating liabilities increase (decrease)				
Deposits	6,875,483	(4,657,950)	-	-
Interbank and money market items	(97,629)	(211,333)	-	-
Liabilities payable on demand	72,347	271,623	-	-
Securities and derivatives business payables	326,982	539,698	-	-
Short-term debts issued and borrowings	(5,255,000)	(5,962,700)	(5,255,000)	(4,410,000)
Payable to clearing house	632,558	115,274	-	-
Provision for long-term employee benefits	(3,190)	(5,061)	(974)	(409)
Liabilities directly associated with assets classified as held for sale	-	(11,270)	-	-
Other liabilities	(476,482)	(642,983)	(103,015)	(75,029)
<b>Net cash flows from (used in) operating activities</b>	<b>8,566,533</b>	<b>(1,652,295)</b>	<b>5,453</b>	<b>5,823</b>
<b>Cash flows from investing activities</b>				
Cash paid for purchase of investments in securities held for investment	(3,128,638)	(4,169,722)	-	-
Cash received from disposal of investments in securities held for investment	4,802,573	3,387,607	-	-
Cash paid for purchase of equipment	(65,807)	(16,252)	(10,762)	(1,511)
Cash paid for purchase of intangible assets	(7,281)	(5,155)	(743)	(4,312)
Cash received from disposal of equipment	612	1,298	6,017	-
Cash received from disposal of intangible assets	-	-	35	-
<b>Net cash flows from (used in) investing activities</b>	<b>1,601,459</b>	<b>(802,224)</b>	<b>(5,453)</b>	<b>(5,823)</b>
<b>Cash flows from financing activities</b>				
Cash received from issuance of long-term debentures	2,400,000	8,000,000	-	-
Cash paid for redemption of long-term debentures	(12,400,000)	(5,500,000)	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(10,000,000)</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash</b>	<b>167,992</b>	<b>45,481</b>	<b>-</b>	<b>-</b>
Cash at beginning of the period	1,191,800	1,324,808	70	70
<b>Cash at end of the period</b>	<b>1,359,792</b>	<b>1,370,289</b>	<b>70</b>	<b>70</b>
	-	-	-	-

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 equity

For the three-month periods ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
Other components of equity													
Issued and paid-up		Share premium on ordinary shares	Surplus (deficit) on changes in value of available-for-sale investments	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control under holding restructuring plan	Total other components of equity	Retained earnings		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	
Preference shares	Ordinary shares							Appropriated	Unappropriated				
<b>Balance as at 1 January 2018</b>	99	8,006,456	1,018,408	96,908	879,285	(2,257)	679,266	1,653,202	801,000	23,125,364	34,604,529	127,236	34,731,765
Profit for the period	-	-	-	-	-	-	-	-	-	1,765,815	1,765,815	13,242	1,779,057
Other comprehensive income for the period	-	-	-	(23,753)	-	1,746	-	(22,007)	-	-	(22,007)	-	(22,007)
Total comprehensive income for the period	-	-	-	(23,753)	-	1,746	-	(22,007)	-	1,765,815	1,743,808	13,242	1,757,050
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,461)	-	-	(2,461)	-	2,461	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
<b>Balance as at 31 March 2018</b>	99	8,006,456	1,018,408	73,155	876,824	(511)	679,266	1,628,734	801,000	24,893,640	36,348,337	118,428	36,466,765
<b>Balance as at 1 January 2019</b>	99	8,006,456	1,018,408	(91,062)	1,164,360	1,260	679,266	1,753,824	801,000	26,116,740	37,696,527	132,929	37,829,456
Profit for the period	-	-	-	-	-	-	-	-	-	1,729,598	1,729,598	1,876	1,731,474
Other comprehensive income for the period	-	-	-	68,032	-	749	-	68,781	-	-	68,781	-	68,781
Total comprehensive income for the period	-	-	-	68,032	-	749	-	68,781	-	1,729,598	1,798,379	1,876	1,800,255
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(897)	-	-	(897)	-	1,091	194	-	194
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(99)	(99)
<b>Balance as at 31 March 2019</b>	99	8,006,456	1,018,408	(23,030)	1,163,463	2,009	679,266	1,821,708	801,000	27,847,429	39,495,100	134,706	39,629,806

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 equity (continued)

For the three-month periods ended 31 March 2019

(Unit: Thousand Baht)

	Separate financial statements									
	Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
	Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on	Surplus on	Total other	Appropriated	Unappropriated	
	shares	shares	shares	shares	changes in value of	revaluation of	components			
				available-for-sale	assets	of equity				
<b>Balance as at 1 January 2018</b>	99	8,006,456	87	7,031,436	16,457	224,985	241,442	801,000	5,879,117	21,959,637
Profit for the period	-	-	-	-	-	-	-	-	77,702	77,702
Other comprehensive income for the period	-	-	-	-	13,542	-	13,542	-	-	13,542
Total comprehensive income for the period	-	-	-	-	13,542	-	13,542	-	77,702	91,244
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(370)	(370)	-	370	-
<b>Balance as at 31 March 2018</b>	<b>99</b>	<b>8,006,456</b>	<b>87</b>	<b>7,031,436</b>	<b>29,999</b>	<b>224,615</b>	<b>254,614</b>	<b>801,000</b>	<b>5,957,189</b>	<b>22,050,881</b>
<b>Balance as at 1 January 2019</b>	99	8,006,456	87	7,031,436	(49,621)	306,925	257,304	801,000	7,482,643	23,579,025
Profit for the period	-	-	-	-	-	-	-	-	95,623	95,623
Other comprehensive income for the period	-	-	-	-	58,932	-	58,932	-	11,422	70,354
Total comprehensive income for the period	-	-	-	-	58,932	-	58,932	-	107,045	165,977
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(155)	(155)	-	195	40
<b>Balance as at 31 March 2019</b>	<b>99</b>	<b>8,006,456</b>	<b>87</b>	<b>7,031,436</b>	<b>9,311</b>	<b>306,770</b>	<b>316,081</b>	<b>801,000</b>	<b>7,589,883</b>	<b>23,745,042</b>

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 periods ended 31 March 2019**

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

**1.1 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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 equity and cash flows in the same format as that used for the annual financial statements, and in accordance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 21/2558 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 4 December 2015.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

**1.2 Basis of interim consolidation**

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2018. During the period, there was no change in the composition of the subsidiaries.

**1.3 The separate financial statements**

The Company prepares the separate financial statements which present investments in subsidiaries and joint venture under the cost method.

## 1.4 New financial reporting standards

### a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2 to the financial statements.

**b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

**Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                    Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## **1.5 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follows:

### **Revenue recognition**

#### **Incentive fee income on fund management**

The subsidiary that operates an asset management business has reconsidered the basis applied for recognition of incentive fee income, which arises when the annual returns of funds that the subsidiary is managing exceed the threshold for the performance of the funds. The subsidiary recognises this variable consideration as revenue at the end of the year when there is a high likelihood that the income will occur.

## **1.6 Change in accounting estimation**

### **Change in accounting estimation and recording of depreciation of revalued assets**

At the end of 2018, the Company and its subsidiaries reappraised office condominiums and at the same time had the useful lives of the office condominiums estimated by an independent professional appraiser. As a result, effective from 1 January 2019, the Company and its subsidiaries have changed the remaining useful lives of office condominiums from 15 years to 30 years in order to align them with the estimated useful lives of the assets determined using a prospective method. The expected effects of the change in the estimated useful lives to the 2019 consolidated and separate financial statements are to increase profit after tax by approximately Baht 16 million and Baht 4 million, respectively, and increase basic earnings per share by Baht 0.02 per share and Baht 0.004 per share, respectively. In addition, the change is expected to increase profit after tax and increase basic earnings per share of the current period as follows:



(Unaudited but reviewed)

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

	For the three-month period ended 31 March 2019	
	Consolidated financial statements	Separate financial statements
Increase in profit after tax	4	1
Increase in basic earnings per share	0.005	0.001

## 2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 1.4 to the financial statements, during the current period, the Company and its subsidiaries have adopted TFRS 15 using the modified retrospective method of adoption. Therefore, the comparative information was not restated.

The amounts of adjustments affecting the consolidated statements of financial position as at 31 March 2019 and the consolidated statements of comprehensive income for the three-month period ended 31 March 2019 are summarised below:

	(Unit: Million Baht)		
	Consolidated financial statements		
	Previous accounting policy	Decrease	TFRS 15
<b>Statement of financial position</b>			
<b>As at 31 March 2019</b>			
<b>Assets</b>			
Other assets	2,283	(24)	2,259
<b>Total assets</b>	<b>297,924</b>	<b>(24)</b>	<b>297,900</b>
<b>Liabilities</b>			
Income tax payable	1,217	(5)	1,212
<b>Total liabilities</b>	<b>258,275</b>	<b>(5)</b>	<b>258,270</b>
<b>Equity</b>			
Retained earnings - Unappropriated	27,866	(19)	27,847
<b>Total equity</b>	<b>39,649</b>	<b>(19)</b>	<b>39,630</b>
<b>Total liabilities and equity</b>	<b>297,924</b>	<b>(24)</b>	<b>297,900</b>

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Decrease	TFRS 15
<b>Statement of comprehensive income</b>			
<b>For the three-month period ended</b>			
<b>31 March 2019</b>			
<b>Profit or loss:</b>			
Fee and service income	1,484	(24)	1,460
Income tax expenses	436	(5)	431
<b>Profit for the period</b>	<b>1,750</b>	<b>(19)</b>	<b>1,731</b>
<b>Attributable to:</b>			
Profit attributable to equity holders of the Company	1,749	(19)	1,730
<b>Earnings per share (Baht):</b>			
Basic earnings per share	2.18	(0.02)	2.16

The nature of these adjustments are described below:

#### **Incentive fee income on fund management**

The subsidiary that operates an asset management business has reconsidered the basis applied for recognition of incentive fee income, which arises when the annual returns of funds that the subsidiary is managing exceed the threshold for the performance of the funds. The subsidiary recognises this variable consideration as revenue at the end of the year when there is a high likelihood that the income will occur, whereas it was previously recognised as revenue over the period that the subsidiary managed the funds.

### **3. General information**

#### **3.1 The Company's information**

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

### 3.2 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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 prices as charged to other customers.

## 4. Supplemental information

### 4.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2019 and 31 December 2018 is provided below.

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			31 March 2019	31 December 2018
<b><u>Subsidiaries directly held by the Company</u></b>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
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 Insurance Solution Co., Ltd.	Insurance broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99
<b><u>Subsidiaries indirectly held by the Company</u></b>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00

## 4.2 Derivatives

The subsidiary company operating a banking business entered into interest rate swap agreements and foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	31 March 2019			31 December 2018		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	16,116	703,637	5,685	-	717,751
Interest rate	-	3,642	600,000	-	10,653	1,200,000
<b>Total</b>	<b>-</b>	<b>19,758</b>	<b>1,303,637</b>	<b>5,685</b>	<b>10,653</b>	<b>1,917,751</b>

All counterparties of these derivatives transactions are financial institutions.

## 4.3 Investments

### 4.3.1 Classified by type of investments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
<b>Available-for-sale investments - fair value</b>		
Government and state enterprise securities	5,800,536	7,467,598
Private sector debt securities	185,271	186,078
Domestic marketable equity securities	307,393	299,562
Other securities - domestic unit trusts	60,690	60,777
Other securities - foreign unit trusts	836,818	780,284
Less: Allowance for impairment	(1,460)	(1,460)
<b>Total available-for-sale investments</b>	<b>7,189,248</b>	<b>8,792,839</b>
<b>Held-to-maturity debt securities - cost/amortised cost</b>		
Investment in receivables	13,279	13,352
Less: Allowance for impairment	(13,279)	(13,352)
<b>Total held-to-maturity debt securities</b>	<b>-</b>	<b>-</b>
<b>General investments - cost</b>		
Domestic non-marketable equity securities	254,134	254,134
Less: Allowance for impairment	(32,550)	(34,628)
<b>Total general investments</b>	<b>221,584</b>	<b>219,506</b>
<b>Investments - net</b>	<b>7,410,832</b>	<b>9,012,345</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2019	31 December 2018
<b>Available-for-sale investments - fair value</b>		
Other securities - foreign unit trusts	836,818	780,284
<b>Investments - net</b>	<b>836,818</b>	<b>780,284</b>

## 4.3.2 Classified by remaining years to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	31 March 2019				31 December 2018			
	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
<b>Available-for-sale investments</b>								
Government and state enterprise securities	5,798	3	-	5,801	7,464	3	-	7,467
Private sector debt securities	1	184	-	185	1	185	-	186
<b>Total</b>	<b>5,799</b>	<b>187</b>	<b>-</b>	<b>5,986</b>	<b>7,465</b>	<b>188</b>	<b>-</b>	<b>7,653</b>
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
<b>Total</b>	<b>5,798</b>	<b>187</b>	<b>-</b>	<b>5,985</b>	<b>7,464</b>	<b>188</b>	<b>-</b>	<b>7,652</b>
<b>Held-to-maturity debt securities</b>								
Investment in receivables	13	-	-	13	13	-	-	13
Less: Allowance for impairment	(13)	-	-	(13)	(13)	-	-	(13)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total debt securities</b>	<b>5,798</b>	<b>187</b>	<b>-</b>	<b>5,985</b>	<b>7,464</b>	<b>188</b>	<b>-</b>	<b>7,652</b>

## 4.3.3 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements as at		Type of restrictions
	31 March 2019	31 December 2018	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	-	648	Pledge for the use of credit balance on clearing position

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 March 2019		
	Cost	Fair value	Allowance for impairment
Companies having problems with debt repayment or in default	1,460	-	1,460

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2018		
	Cost	Fair value	Allowance for impairment
Companies having problems with debt repayment or in default	1,460	-	1,460

#### 4.3.5 Investments in which a subsidiary company operating a banking business holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	31 March 2019			31 December 2018		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
<b>Services:</b>						
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
<b>Trading import and export:</b>						
Juki (Thailand) Co., Ltd.	5,707	-	10	3,659	-	10
PDTL Trading Co., Ltd.	4,320	-	10	4,320	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
<b>Real estate:</b>						
UMI Property Co., Ltd.	3,932	-	10	3,932	-	10
<b>Industrial:</b>						
Siam Art Ceramic Co., Ltd.	18,315	-	10	18,315	-	10

#### 4.4 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Investments in subsidiaries	-	-	19,995,881	19,995,882
Investment in joint venture	763,699	800,151	73,245	73,245
	<u>763,699</u>	<u>800,151</u>	<u>20,069,126</u>	<u>20,069,127</u>

##### 4.4.1 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements							
		Type of investments as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the three-month periods ended	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 March 2018
				(%)	(%)				
<b><u>Subsidiaries directly held by the Company</u></b>									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	17,641	-	-
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	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Insurance Solution Co., Ltd.	Insurance broker	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
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	Ordinary shares	99.99	99.99	700	700	-	-
						<u>20,105</u>	<u>20,105</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						<u>19,996</u>	<u>19,996</u>		

## 4.4.2 Investment in joint venture

## a) Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and another company. Details of this investment are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements					
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	763,699	800,151

(Unit: Thousand Baht)

		Separate financial statements							
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	-	-	73,245	73,245

## b) Share of comprehensive income and dividend received

During the period, the Company recognised its share of comprehensive income from investment in joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the three-month periods ended		Share of other comprehensive income from investment in joint venture for the three-month periods ended		Dividend received for the three-month periods ended	
	31 March		31 March		31 March	
	2019	2018	2019	2018	2019	2018
TISCO Tokyo Leasing Co., Ltd.	(37,200)	145,777	749	1,746	-	-



(Unaudited but reviewed)

## 4.5 Loans to customers and accrued interest receivables

### 4.5.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
<b>Loans to customers</b>		
Overdrafts	279,263	369,084
Loans	99,812,612	98,933,065
Hire purchase receivables	162,181,953	161,733,691
Finance lease receivables	42,591	53,970
Less: Deferred revenue	(20,590,048)	(20,402,559)
Advances received from finance lease receivables	(26,388)	(32,911)
Total loans to customers	241,699,983	240,654,340
Add: Accrued interest receivables	639,431	642,526
Less: Allowance for doubtful accounts	(11,509,585)	(11,665,492)
Allowance for loss on debt restructuring	(7,945)	(8,146)
Loans to customers and accrued interest receivables - net	<u>230,821,884</u>	<u>229,623,228</u>

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2019	31 December 2018
<b>Loans to customers</b>		
Loans	2,345,000	2,075,000
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	<u>2,345,000</u>	<u>2,075,000</u>

## 4.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	31 March 2019			31 December 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	234,036,639	6,959,707	240,996,346	233,094,849	6,841,740	239,936,589
US Dollars	-	703,637	703,637	-	717,751	717,751
Total loans to customers						
net of deferred revenue	<u>234,036,639</u>	<u>7,663,344</u>	<u>241,699,983</u>	<u>233,094,849</u>	<u>7,559,491</u>	<u>240,654,340</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	31 March 2019			31 December 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,345,000	-	2,345,000	2,075,000	-	2,075,000
Total loans to customers						
net of deferred revenue	<u>2,345,000</u>	<u>-</u>	<u>2,345,000</u>	<u>2,075,000</u>	<u>-</u>	<u>2,075,000</u>

## 4.5.3 Classified by loan classification of a subsidiary company operating a banking business

(Unit: Million Baht)

	As at					
	31 March 2019			31 December 2018		
	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts <sup>(1) (2)</sup>	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts <sup>(1) (2)</sup>
Provision under BOT's guidelines						
- Pass	214,415	178,133	2,320	214,194	178,483	2,512
- Special mention	16,947	15,599	2,579	16,706	15,096	3,194
- Sub-standard	3,758	3,180	1,623	3,356	3,073	1,269
- Doubtful	1,566	1,302	537	1,536	1,315	586
- Doubtful of loss	1,381	767	475	1,417	817	531
Allowance established in excess	-	-	3,418	-	-	2,951
Total	<u>238,067</u>	<u>198,981</u>	<u>10,952</u>	<u>237,209</u>	<u>198,784</u>	<u>11,043</u>

<sup>(1)</sup> 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 finance lease receivables, for which TISCO Bank does not deduct the collateral value from the outstanding loan balance).

<sup>(2)</sup> As at 31 March 2019, the provision set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor. 5/2559 minimum requirement by a total of Baht 6,169 million (As at 31 December 2018: total of Baht 6,428 million). TISCO Bank allocated Baht 2,751 million of the excess provision to specific provision for individual debtors (As at 31 December 2018: total of Baht 3,477 million) and so combined with the minimum provision requirement of Baht 4,783 million (As at 31 December 2018: total of Baht 4,615 million), the total provision set aside in accordance with BOT's requirement is Baht 7,534 million (As at 31 December 2018: total of Baht 8,092 million).

## Percentage of allowance for doubtful accounts set up (%)

	Hire purchase receivables <sup>(1)</sup>		Loan against auto license receivables <sup>(1)</sup>		Other loans <sup>(2)</sup>	
	As at		As at		As at	
	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018
Pass	0.82	0.83	1.38	1.43	1	1
Special mention	7.54	11.56	17.08	16.80	2	2
Sub-standard	26.42	26.59	37.94	37.75	100	100
Doubtful	26.75	26.60	37.94	37.75	100	100
Doubtful of loss	27.91	27.67	37.94	37.75	100	100

<sup>(1)</sup> 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 individual debtors.

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

## 4.5.4 Hire purchase and finance lease receivables

As at 31 March 2019, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 141,787 million (31 December 2018: Baht 141,531 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 31 March 2019					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	50,077	97,292	6,909	7,947	162,225
Less: Deferred revenue <sup>(1)</sup>	(6,876)	(9,058)	(297)	(4,181)	(20,412)
Advances received from finance lease receivables	(22)	(4)	-	-	(26)
Present value of minimum lease pay from agreements	43,179	88,230	6,612	3,766	141,787
Allowance for doubtful accounts <sup>(2)</sup>					(3,249)
Net hire purchase and finance lease receivables					138,538

<sup>(1)</sup> Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.

<sup>(2)</sup> This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	50,480	96,776	6,502	8,030	161,788
Less: Deferred revenue <sup>(1)</sup>	(6,878)	(8,926)	(277)	(4,143)	(20,224)
Advances received from finance lease receivables	(24)	(9)	-	-	(33)
Present value of minimum lease pay from agreements	43,578	87,841	6,225	3,887	141,531
Allowance for doubtful accounts <sup>(2)</sup>					(3,835)
Net hire purchase and finance lease receivables					137,696

<sup>(1)</sup> Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.<sup>(2)</sup> This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

#### 4.5.5 Loans to customers of subsidiary companies for which the recognition of interest income has been ceased

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines <sup>(2)</sup> as at		Amounts calculated under TISCO Bank's policy as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	Loans to customers for which the recognition of interest income has been ceased <sup>(1)</sup>	8,007	8,040	8,846

<sup>(1)</sup> These amounts are calculated on an account by account basis.<sup>(2)</sup> Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

(Unit: Million Baht)

Other subsidiaries	As at	
	31 March 2019	31 December 2018
Hire purchase receivables, finance lease receivables and other loan receivables for which the recognition of interest income has been ceased	636	615

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Deferred revenue <sup>(1)</sup>	20,590	20,403

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

#### 4.5.7 Troubled debt restructuring of a subsidiary company operating a banking business

	For the three-month periods ended 31 March	
	2019	2018
Debtors restructured during the periods		
Number of debtors restructured by modification of terms (number)	277	349
Loan balances before restructuring (Million Baht)	83	102
Loan balances after restructuring (Million Baht)	84	102
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	4	4
Loan against auto license receivables	5	5

Supplemental information for the three-month periods ended 31 March 2019 and 2018 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 March	
	2019	2018
Interest income on restructured receivables	55	80
Receipt of principal and interest	316	409

(Unaudited but reviewed)

As at 31 March 2019 and 31 December 2018, a subsidiary company operating a banking business has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

	As at			
	31 March 2019		31 December 2018	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	13,492	2,876	14,261	3,176

#### 4.6 Allowance for doubtful accounts/allowance for loss on debt restructuring

##### 4.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 31 March 2019

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance	Total
						established in excess	
Balance - beginning of period	2,656,402	3,283,511	1,376,962	670,853	612,847	3,064,917	11,665,492
Increase (decrease) in allowance for doubtful accounts during the period	(175,517)	(607,891)	377,524	338,176	243,483	373,680	549,455
Bad debts written-off	(153)	(7,165)	(21,153)	(384,465)	(292,426)	-	(705,362)
Balance - end of period	<u>2,480,732</u>	<u>2,668,455</u>	<u>1,733,333</u>	<u>624,564</u>	<u>563,904</u>	<u>3,438,597</u>	<u>11,509,585</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2018

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance	Total
						established in excess	
Balance - beginning of year	3,608,773	3,677,986	996,640	488,633	473,173	2,201,961	11,447,166
Increase (decrease) in allowance for doubtful accounts during the year	(799,957)	(354,990)	761,179	1,556,488	2,872,834	862,956	4,898,510
Bad debts written-off	(10,266)	(30,732)	(305,846)	(1,373,488)	(2,733,124)	-	(4,453,456)
Transfer out from sales of receivables	(142,148)	(8,753)	(75,011)	(780)	(36)	-	(226,728)
Balance - end of year	<u>2,656,402</u>	<u>3,283,511</u>	<u>1,376,962</u>	<u>670,853</u>	<u>612,847</u>	<u>3,064,917</u>	<u>11,665,492</u>

(Unaudited but reviewed)

#### 4.6.2 Allowance for doubtful accounts - classified by loan loss provisioning method

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 March 2019			Total
	Individual impairment	Collective impairment	Allowance established in excess	
Balance - beginning of period	3,631,048	4,969,527	3,064,917	11,665,492
Increase (decrease) in allowance for doubtful accounts during the period	(134,079)	309,854	373,680	549,455
Bad debts written-off	(82,078)	(623,284)	-	(705,362)
Balance - end of period	<u>3,414,891</u>	<u>4,656,097</u>	<u>3,438,597</u>	<u>11,509,585</u>

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2018			Total
	Individual impairment	Collective impairment	Allowance established in excess	
Balance - beginning of year	4,528,536	4,716,669	2,201,961	11,447,166
Increase in allowance for doubtful accounts during the year	1,189,150	2,846,404	862,956	4,898,510
Bad debts written-off	(1,993,107)	(2,460,349)	-	(4,453,456)
Transfer out from sales of receivables	(93,531)	(133,197)	-	(226,728)
Balance - end of year	<u>3,631,048</u>	<u>4,969,527</u>	<u>3,064,917</u>	<u>11,665,492</u>

#### 4.6.3 Allowance for loss on debt restructuring of a subsidiary company operating a banking business

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Balance - beginning of period/year	8,146	8,948
Increase during the period/year	-	-
Amortisation during period/year	(201)	(802)
Balance - end of period/year	<u>7,945</u>	<u>8,146</u>

(Unaudited but reviewed)

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

(Unit: Million Baht)

	As at	
	31 March 2019	31 December 2018
Non-performing loans to customers	6,705	6,309
Allowance for doubtful accounts <sup>(1)</sup>	2,635	2,386

<sup>(1)</sup> This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific for individual debtors.

### 4.7 Classification of assets

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

(Unit: Million Baht)

	Allowance for possible loss provided in the accounts					
	Cost as at		Fair value as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Debt instruments - debentures <sup>(1)</sup>	1	1	-	-	1	1

<sup>(1)</sup> Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

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

As at 31 March 2019 and 31 December 2018, the quality of assets of a subsidiary company operating a banking business classified in accordance with the Bank of Thailand's guidelines is as follows:

	(Unit: Million Baht)									
	Loans to customers <sup>(1)</sup>		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Pass	260,439	264,469	-	-	-	-	-	-	260,439	264,469
Special mention	16,776	16,533	-	-	-	-	-	-	16,776	16,533
Sub-standard	3,758	3,356	-	-	-	-	-	-	3,758	3,356
Doubtful	1,566	1,536	-	-	-	-	-	-	1,566	1,536
Doubtful of loss	1,381	1,417	34	36	13	13	1	12	1,429	1,478
Total	283,920	287,311	34	36	13	13	1	12	283,968	287,372

<sup>(1)</sup> Loans to customers include investments in debt securities under resale agreements of other commercial banks and loans to financial institutions (which are presented as part of interbank and money market items - net (assets) in the statement of financial position).



### 4.7.3 Classification of assets under the Bank of Thailand's guidelines for which a subsidiary company operating a banking business sets aside provision using a collective approach

#### 4.7.3.1 Hire purchase receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting up allowance for doubtful accounts <sup>(1)</sup>		Percentage of allowance for doubtful accounts setup <sup>(2)</sup>		Allowance for doubtful accounts <sup>(3)</sup>	
	as at		as at		as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019 (%)	31 December 2018 (%)	31 March 2019	31 December 2018
Pass	123,301	122,837	123,301	122,837	0.82	0.83	1,006	1,018
Special mention	11,068	11,319	11,068	11,319	7.54	11.56	835	1,309
Sub-standard	1,695	1,811	1,695	1,811	26.42	26.59	448	481
Doubtful	892	900	892	900	26.75	26.60	239	239
Doubtful of loss	597	614	597	614	27.91	27.67	167	170
<b>Total</b>	<b>137,553</b>	<b>137,481</b>	<b>137,553</b>	<b>137,481</b>			<b>2,695</b>	<b>3,217</b>

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

<sup>(2)</sup> 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 individual debtors.

<sup>(3)</sup> These amounts of allowance for doubtful accounts include the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

#### 4.7.3.2 Loan against auto license receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting up allowance for doubtful accounts		Percentage of allowance for doubtful accounts setup <sup>(1)</sup>		Allowance for doubtful accounts <sup>(2)</sup>	
	as at		as at		as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019 (%)	31 December 2018 (%)	31 March 2019	31 December 2018
Pass	22,514	22,835	22,514	22,835	1.38	1.43	310	327
Special mention	3,547	2,816	3,547	2,816	17.08	16.80	606	473
Sub-standard	1,057	923	1,057	923	37.94	37.75	401	348
Doubtful	267	236	267	236	37.94	37.75	101	89
Doubtful of loss	42	45	42	45	37.94	37.75	16	17
<b>Total</b>	<b>27,427</b>	<b>26,855</b>	<b>27,427</b>	<b>26,855</b>			<b>1,434</b>	<b>1,254</b>

<sup>(1)</sup> 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 individual debtors.

<sup>(2)</sup> These amounts of allowance for doubtful accounts include the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		Debt balance - net	
	as at		as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Pass	3,142	2,960	160	138	2,982	2,822
Special mention	503	516	89	188	414	328
Sub-standard	207	201	111	108	96	93
Doubtful	165	163	88	85	77	78
Doubtful of loss	213	203	109	103	104	100
<b>Total</b>	<b>4,230</b>	<b>4,043</b>	<b>557</b>	<b>622</b>	<b>3,673</b>	<b>3,421</b>

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

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts <sup>(2)</sup>	
	as at		as at		as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
				(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET <sup>(1)</sup>	1	1	561	578	515	531	561 <sup>(3)</sup>	578 <sup>(3)</sup>
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	10	1,078	1,285	232	263	12	49
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10</b>	<b>11</b>	<b>1,639</b>	<b>1,863</b>	<b>747</b>	<b>794</b>	<b>573</b>	<b>627</b>

<sup>(1)</sup> The company is currently under rehabilitation.

<sup>(2)</sup> This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

<sup>(3)</sup> This allowance for doubtful accounts includes the allowance for loss on debt restructuring.

## 4.8 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Receivables from clearing house	5,868	114,611	-	-
Value added tax - net	551,751	571,227	2,447	3,300
Accrued interest receivables	7,512	20,365	-	-
Fee and service receivables	332,750	324,002	123,806	124,128
Refundable income tax and prepaid income tax	18,231	35,156	-	-
Deposits	83,325	81,170	2,124	2,118
Other receivables	794,775	858,713	28	-
Other assets	465,183	404,043	30,013	37,437
<b>Total other assets</b>	<b>2,259,395</b>	<b>2,409,287</b>	<b>158,418</b>	<b>166,983</b>

## 4.9 Deposits

### 4.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Deposits		
Current accounts	2,394,196	2,483,555
Saving accounts	47,371,147	54,683,842
Fixed accounts		
- not over 6 months	12,618,217	10,155,146
- over 6 months but not over 1 year	32,658,601	26,368,304
- over 1 year	4,252,879	3,551,294
Certificates of deposit/negotiable certificates of deposit	100,688,753	95,866,169
<b>Total</b>	<b>199,983,793</b>	<b>193,108,310</b>

### 4.9.2 Classified by the remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Not over 1 year <sup>(1)</sup>	198,611,139	189,170,624
Over 1 year	1,372,654	3,937,686
<b>Total deposits</b>	<b>199,983,793</b>	<b>193,108,310</b>

<sup>(1)</sup> Including fully-mature deposit contracts

4.9.3 As at 31 March 2019 and 31 December 2018, all outstanding deposits are deposits from domestic depositors and are in Baht.

#### 4.10 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,680,000	6,680,000	-	-
Unsubordinated unsecured debentures	33,585,000	43,000,000	585,000	-
Bills of exchange	36,122	5,876,122	-	5,840,000
Promissory notes	797	797	-	-
<b>Total</b>	<b>40,301,919</b>	<b>55,556,919</b>	<b>585,000</b>	<b>5,840,000</b>

##### 4.10.1 Subordinated unsecured debentures

As at 31 March 2019 and 31 December 2018, a subsidiary company operating a banking business has long-term subordinated unsecured debentures as follows:

Issued year	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
	31 March 2019	31 December 2018		31 March 2019	31 December 2018		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2014	-	1.60	1,000	-	1,600	2024	6.00 percent per annum
2014	-	0.80	1,000	-	800	2024	6.00 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.50 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.25 percent per annum
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
2019	1.20	-	1,000	1,200	-	2029	4.00 percent per annum
2019	1.20	-	1,000	1,200	-	2029	4.00 percent per annum
<b>Total</b>				<b>6,680</b>	<b>6,680</b>		

#### 4.10.2 Unsubordinated unsecured debentures

As at 31 March 2019 and 31 December 2018, the Company and its subsidiary have short-term and long-term unsubordinated unsecured debentures as follows:

Consolidated financial statements								
Issued year	Type of debentures	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
		31 March 2019	31 December 2018		31 March 2019	31 December 2018		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	Long-term debenture	5.00	10.00	1,000	5,000	10,000	2019	1.85 - 1.95 percent per annum
2017	Long-term debenture	8.00	13.00	1,000	8,000	13,000	2019	1.75 - 1.85 percent per annum
2018	Long-term debenture	8.00	8.00	1,000	8,000	8,000	2019	1.68 - 1.75 percent per annum
2018	Long-term debenture	12.00	12.00	1,000	12,000	12,000	2020	1.65 - 2.05 percent per annum
2019	Short-term debenture	0.59	-	1,000	585	-	2019	1.88 percent per annum
Total					<u>33,585</u>	<u>43,000</u>		

Separate financial statements								
Issued year	Type of debentures	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
		31 March 2019	31 December 2018		31 March 2019	31 December 2018		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2019	Short-term debenture	0.59	-	1,000	585	-	2019	1.88 percent per annum
Total					<u>585</u>	<u>-</u>		

#### 4.10.3 Bills of exchange

Bills of exchange comprise bills of exchange that mature at call and those that will gradually mature in 2019 and they bear interest at fixed rates between 1.88 and 2.50 percent per annum.

#### 4.11 Provision for long-term employee benefits

During the period, the Company and its subsidiaries recognised additional long-term employee benefit liabilities of Baht 213 million (The Company only: Baht 50 million) as a result of the amendment to legal severance pay rates under the Labor Protection Act (No. 7) B.E. 2562, which was announced in the Royal Gazette on 5 April 2019. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The Company and its subsidiaries have amended their rules and regulations to comply with the law, effective in the current period. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have reflected the effect of the change by recognising past service costs as expenses in the income statement of the current period.

**4.12 Other liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Payable to clearing house	693,123	60,565	-	-
Withholding income tax and other				
tax payables	175,192	477,062	24,556	127,572
Accrued insurance premium	525,219	638,693	-	-
Deferred income	1,540,823	1,464,621	-	-
Accrued expenses	4,163,198	3,876,110	1,494,916	1,353,893
Suspense creditors	1,083,275	1,082,473	-	-
Other liabilities	425,906	360,541	98	97
<b>Total other liabilities</b>	<b>8,606,736</b>	<b>7,960,065</b>	<b>1,519,570</b>	<b>1,481,562</b>

The above accrued expenses included accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses included costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 March 2019 and 31 December 2018, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 911 million and Baht 859 million, respectively (The Company only: Baht 442 million and Baht 419 million, respectively).

#### 4.13 Capital funds

- 4.13.1 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 others in accordance with the regulations of the Bank of Thailand or relevant regulatory agencies.
- 4.13.2 TISCO Group maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, loan against auto license receivables, corporate lending, floor-plan loans, equity exposure and other assets.

Regarding Capital funds as at 31 March 2019 and 31 December 2018, Financial Business Group has allocated the additional reserve from classification as part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

Capital funds of the Financial Business Group (under Basel III principles) are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2019	31 December 2018
<b><u>Common Equity Tier I capital</u></b>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	19,122,322	19,122,322
Other components of equity	1,525,063	1,458,770
Less: Deductions from Common Equity Tier I items	(1,668,690)	(1,581,233)
<b>Total Common Equity Tier I capital</b>	<b>28,804,559</b>	<b>28,825,723</b>
<b><u>Financial Instrument Tier I capital</u></b>		
Issued and paid-up share capital - non cumulative preference shares	99	99
<b>Total Tier I capital</b>	<b>28,804,658</b>	<b>28,825,822</b>
<b><u>Tier II capital</u></b>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	701,941	682,051
Reserve for loans classified as pass	720,758	729,829
<b>Total Tier II capital</b>	<b>8,102,699</b>	<b>8,091,880</b>
<b>Total capital funds</b>	<b>36,907,357</b>	<b>36,917,702</b>

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2019		31 December 2018	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	16.49	7.00	16.75	6.375
Tier I capital to risk assets	16.49	8.50	16.75	7.875
Total capital to risk assets	20.98	11.00	21.46	10.375

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

(Unit: Thousand Baht)

	As at	
	31 March 2019	31 December 2018
<b><u>Common Equity Tier I capital</u></b>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	15,959,967	15,959,967
Other components of equity	199,179	197,999
Less: Deductions from Common Equity Tier I items	(1,060,565)	(972,378)
<b>Total Common Equity Tier I capital</b>	<b>27,841,281</b>	<b>27,928,288</b>
<b><u>Financial Instrument Tier I capital</u></b>		
Issued and fully paid-up share capital - non cumulative preference shares	1	1
<b>Total Tier I capital</b>	<b>27,841,282</b>	<b>27,928,289</b>
<b><u>Tier II Capital</u></b>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	684,110	664,553
Reserve for loans classified as pass	561,074	571,301
<b>Total Tier II capital</b>	<b>7,925,184</b>	<b>7,915,854</b>
<b>Total capital funds</b>	<b>35,766,466</b>	<b>35,844,143</b>



(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2019		31 December 2018	
	TISCO		TISCO	
	Bank	Requirement	Bank	Requirement
Common Equity Tier I capital to risk assets	17.52	7.00	17.85	6.375
Tier I capital to risk assets	17.52	8.50	17.85	7.875
Total capital to risk assets	22.51	11.00	22.91	10.375

4.13.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 5/2556 regarding “Public Disclosure of Capital Maintenance for Financial Business Group”, the Company has disclosed capital maintenance information of the Financial Business Group as at 31 December 2018 on its website on 30 April 2019.

#### 4.14 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Interbank and money market items	210,155	159,476
Investments in debt securities	52,390	42,948
Loans to customers	1,955,463	2,092,491
Hire purchase and finance lease	2,171,624	2,196,070
Total interest income	4,389,632	4,490,985

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Interbank and money market items	2,850	1,949
Investments in debt securities	2,070	2,424
Loans to customers	12,569	16,391
Total interest income	17,489	20,764

**4.15 Interest expenses**

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Deposits	746,325	615,424
Interbank and money market items	7,316	7,264
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	278,941	277,717
Issued debt securities		
- Subordinated debentures	70,105	78,916
- Unsubordinated debentures	171,912	244,524
Borrowings	12,577	19,989
Total interest expenses	<u>1,287,176</u>	<u>1,243,834</u>

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Issued debt securities - unsubordinated debentures	1,067	-
Borrowings	12,352	19,764
Total interest expenses	<u>13,419</u>	<u>19,764</u>

**4.16 Net fee and service income**

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Fee and service income		
- Acceptance, aval and guarantees	1,397	1,759
- Insurance service	701,677	731,953
- Brokerage fee	172,375	260,843
- Fund management	285,710	295,450
- Financial advisory	2,821	16,566
- Underwriting fee	-	49,987
- Others	296,014	365,656
Total fee and service income	1,459,994	1,722,214
Fee and service expenses		
- Information service expenses	(3,798)	(3,695)
- Others	(57,211)	(59,241)
Total fee and service expenses	(61,009)	(62,936)
Net fee and service income	1,398,985	1,659,278

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Fee and service income	-	-
Fee and service expenses	(4,071)	(3,712)
Net fee and service income	(4,071)	(3,712)

**4.17 Net losses on trading and foreign exchange transactions**

Net losses on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(34,084)	(38,796)
- Derivatives on interest rates	16	(2,024)
- Debt securities	6,154	4,484
- Others	(16)	-
Net losses on trading and foreign exchange transactions	<u>(27,930)</u>	<u>(36,336)</u>
		(Unit: Thousand Baht)
	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Losses on trading and foreign exchange transactions		
- Foreign currencies	(17,132)	(38,853)
Net losses on trading and foreign exchange transactions	<u>(17,132)</u>	<u>(38,853)</u>

**4.18 Net gains on investments**

Net gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Gains (losses) on disposal		
- Available-for-sale investments	(517)	56,054
- Held-to-maturity debt securities	2,879	2,552
- General investments	-	195,566
Total	2,362	254,172
Reversal of losses on impairment		
- General investments	2,078	24
Total	2,078	24
Net gains on investments	4,440	254,196

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Gains on disposal		
- Available-for-sale investments	-	23
Net gains on investments	-	23

**4.19 Bad debts, doubtful accounts and impairment losses**

Bad debts, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Held-to-maturity debt securities (reversal)	(73)	(105)
Loans to customers	108,281	914,385
Total	108,208	914,280

**4.20 Other operating income**

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Gains on disposal of properties foreclosed	18,673	23,845
Others	16,991	16,298
Total	35,664	40,143

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Rental income	20,325	17,565
Others	496	701
Total	20,821	18,266

**4.21 Other operating expenses**

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Mailing expenses	19,714	20,749
Software amortisation expenses	42,609	40,804
Legal expenses relating to the business	70,655	274,274
Transportation expenses	25,114	25,292
Expenses related to the repossession and the disposal of repossessed assets	24,972	24,021
Advertising and business promotion expenses	16,295	21,715
Others	60,416	54,211
<b>Total</b>	<b>259,775</b>	<b>461,066</b>

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2019	2018
Mailing expenses	33	123
Software amortisation expenses	17,591	17,471
Transportation expenses	2,058	2,158
Advertising and business promotion expenses	776	245
Others	2,786	3,583
<b>Total</b>	<b>23,244</b>	<b>23,580</b>

#### 4.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
<b>Current income tax:</b>				
Income tax expenses for the period	549,905	513,197	29,204	6,957
<b>Deferred tax:</b>				
Deferred tax on temporary differences and reversion of temporary differences	(119,007)	(109,921)	(10,152)	1,071
<b>Income tax expenses reported in the statement of comprehensive income</b>	<b>430,898</b>	<b>403,276</b>	<b>19,052</b>	<b>8,028</b>

#### 4.23 Components of other comprehensive income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
<b>Other comprehensive income</b>				
Available-for-sale investments:				
Gains during the period	84,523	28,293	73,665	16,951
Add (less): Reclassification adjustments for gains included in profit or loss	517	(56,054)	-	(23)
	85,040	(27,761)	73,665	16,928
Actuarial gains	-	-	14,278	-
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	749	1,746	-	-
Other comprehensive income	85,789	(26,015)	87,943	16,928
Income tax effects relating to components of other comprehensive income	(17,008)	4,008	(17,589)	(3,386)
Net other comprehensive income for the period	68,781	(22,007)	70,354	13,542



**4.24 Income tax effects relating to components of other comprehensive income**

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	2019			2018		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains (losses) on valuation in available-for-sale investments	85,040	(17,008)	68,032	(27,761)	4,008	(23,753)
	<u>85,040</u>	<u>(17,008)</u>	<u>68,032</u>	<u>(27,761)</u>	<u>4,008</u>	<u>(23,753)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 31 March					
	2019			2018		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	73,665	(14,733)	58,932	16,928	(3,386)	13,542
Actuarial gains	14,278	(2,856)	11,422	-	-	-
	<u>87,943</u>	<u>(17,589)</u>	<u>70,354</u>	<u>16,928</u>	<u>(3,386)</u>	<u>13,542</u>

**4.25 Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares and preference shares in issue during the period. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2019	2018	2019	2018
Profit for the period from continuing operations (Thousand Baht)	1,729,598	1,803,163	95,623	77,702
Basic earnings per share from continuing operations (Baht/share)	2.16	2.25	0.12	0.10
Loss for the period from discontinued operations (Thousand Baht)	-	(37,348)	-	-
Basic losses per share from discontinued operations (Baht/share)	-	(0.04)	-	-
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655

#### 4.26 Related party transactions

The relationships between the Company and its related parties

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Deutsche TISCO Investment Advisory Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

As at 31 March 2019 and 31 December 2018, the balances of the accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2019	31 December 2018
<b><u>Outstanding balance</u></b>		
(Eliminated from the consolidated financial statements)		
<b>Subsidiary companies</b>		
Interbank and money market items - net (Assets):		
TISCO Bank Public Company Limited	613,165	641,395
Dividend receivables:		
TISCO Bank Public Company Limited	-	3,593,665
TISCO Securities Co., Ltd.	-	140,000
TISCO Asset Management Co., Ltd.	-	934,994
Hi-Way Co., Ltd.	-	135,000
TISCO Information Technology Co., Ltd.	-	34,999
TISCO Insurance Solution Co., Ltd.	-	389,986
TISCO Learning Center Co., Ltd.	-	29,998
Other assets:		
TISCO Bank Public Company Limited	122,674	123,647
TISCO Learning Center Co., Ltd.	1,132	705
Other liabilities:		
TISCO Learning Center Co., Ltd.	100	971

Loans to related companies

As at 31 March 2019 and 1 January 2019, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 1 January 2019	Increase	Decrease	As at 31 March 2019
<b>Subsidiary companies</b>				
Loans to customers				
Hi-Way Co., Ltd.	2,075,000	270,000	-	2,345,000

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on bases agreed upon between the Company and those related parties.

	Separate financial statements		Terms and pricing policy
	For the three-month periods ended 31 March		
	2019	2018	
<b>Transactions occurred during the periods</b> (Eliminated from the consolidated financial statements)			
<b>Subsidiary companies</b>			
Risk and financial management fee income, human resources management fee income and office administration fee income	574,004	523,667	Determined on market prices and/or actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	15,419	18,340	With reference to the terms and prices as offered to other customers
Rental income	20,324	17,565	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	73,000	49,750	Determined on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	2,134	1,247	With reference to the prices as offered from other service providers
Other expenses	645	557	With reference to the terms and prices as offered to other customers

## Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Loans <sup>(1)</sup>	24,058	17,581

<sup>(1)</sup> Including employee welfare loans and normal loans

## Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Deposits	296,361	383,693

Directors and management's benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had short-term benefit expenses paid to their directors and key management during the periods and other employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended		For the three-month periods ended	
	31 March		31 March	
	2019	2018	2019	2018
Short-term benefits	83	74	44	37
Post-employment benefits	65	12	34	6
Total	148	86	78	43

**4.27 Segment information**

The Company and its subsidiaries are organised into business units based on their products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2019 and 2018, respectively.

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	(Unit: Million Baht) Consolidated financial statements
<b>For the three-month period ended 31 March 2019</b>							
<b>Revenue</b>							
External customers	4,144	184	332	(73)	4,587	-	4,587
Inter-segment	127	57	(8)	896	1,072	(1,072)	-
<b>Total revenue</b>	<b>4,271</b>	<b>241</b>	<b>324</b>	<b>823</b>	<b>5,659</b>	<b>(1,072)</b>	<b>4,587</b>
<b>Operating results:</b>							
Net interest income	3,091	6	1	4	3,102	-	3,102
Net fee and service income	1,043	231	323	241	1,838	(439)	1,399
Other operating income	137	4	-	578	719	(633)	86
<b>Total operating income</b>	<b>4,271</b>	<b>241</b>	<b>324</b>	<b>823</b>	<b>5,659</b>	<b>(1,072)</b>	<b>4,587</b>
Premises and equipment expenses and amortisation	(382)	(21)	(7)	(189)	(599)	250	(349)
Other operating expenses	(1,846)	(238)	(166)	(515)	(2,765)	797	(1,968)
Bad debts, doubtful accounts and impairment losses	(108)	-	-	-	(108)	-	(108)
<b>Total operating expenses</b>	<b>(2,336)</b>	<b>(259)</b>	<b>(173)</b>	<b>(704)</b>	<b>(3,472)</b>	<b>1,047</b>	<b>(2,425)</b>
<b>Segment profit from continuing operations</b>							
<b>before income tax expenses</b>	<b>1,935</b>	<b>(18)</b>	<b>151</b>	<b>119</b>	<b>2,187</b>	<b>(25)</b>	<b>2,162</b>
Income tax expenses							(431)
Profit from continuing operations							1,731
Profit from discontinued operations							-
Non-controlling interests of the subsidiaries							(2)
<b>Profit for the period - equity holders of the Company</b>							<b>1,729</b>

(Unaudited but reviewed)

							(Unit: Million Baht)
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
<b>For the three-month period ended 31 March 2018</b>							
<b>Revenue</b>							
External customers	4,577	369	392	91	5,429	-	5,429
Inter-segment	81	100	-	577	758	(758)	-
<b>Total revenue</b>	<b>4,658</b>	<b>469</b>	<b>392</b>	<b>668</b>	<b>6,187</b>	<b>(758)</b>	<b>5,429</b>
<b>Operating results:</b>							
Net interest income	3,249	3	2	1	3,255	(8)	3,247
Net fee and service income	1,053	390	390	164	1,997	(338)	1,659
Other operating income	356	76	-	503	935	(412)	523
<b>Total operating income</b>	<b>4,658</b>	<b>469</b>	<b>392</b>	<b>668</b>	<b>6,187</b>	<b>(758)</b>	<b>5,429</b>
Premises and equipment expenses and amortisation	(324)	(21)	(9)	(150)	(504)	171	(333)
Other operating expenses	(1,856)	(246)	(135)	(427)	(2,664)	701	(1,963)
Bad debts, doubtful accounts and impairment losses	(914)	-	-	-	(914)	-	(914)
<b>Total operating expenses</b>	<b>(3,094)</b>	<b>(267)</b>	<b>(144)</b>	<b>(577)</b>	<b>(4,082)</b>	<b>872</b>	<b>(3,210)</b>
<b>Segment profit from continuing operations</b>							
<b>before income tax expenses</b>	<b>1,564</b>	<b>202</b>	<b>248</b>	<b>91</b>	<b>2,105</b>	<b>114</b>	<b>2,219</b>
Income tax expenses							(403)
Profit from continuing operations							1,816
Loss from discontinued operations							(37)
Non-controlling interests of the subsidiaries							(13)
<b>Profit for the period - equity holders of the Company</b>							<b>1,766</b>

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries do not have income from any clients amounting to or over 10 percent of their income.

#### 4.28 Commitments and contingent liabilities

##### 4.28.1 Avals, guarantees and commitments

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2019	31 December 2018
Other guarantees	477,094	753,963
Undrawn client overdraft facilities	149,597	351,660
Interest rate swap agreements	600,000	1,200,000
Foreign exchange contracts	703,637	717,751
Others	820,587	517,961
Total	<u>2,750,915</u>	<u>3,541,335</u>

##### 4.28.2 Litigation

As at 31 March 2019 and 31 December 2018, the subsidiaries have been sued for compensation totaling approximately Baht 333 million and Baht 334 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believes that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

##### 4.28.3 Other commitments

- a) The subsidiary companies have commitments in relation to computer service agreements, whereby they are 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 buildings and branch offices. The terms of the agreements are generally 1 - 15 years.

As at 31 March 2019 and 31 December 2018, the subsidiary companies have future minimum lease payments required under the non-cancellable operating lease contracts as follows:

(Unit: Million Baht)

	As at	
	31 March 2019	31 December 2018
Payable within		
Not over 1 year	210	192
Over 1 to 5 years	278	281
Over 5 years	52	56

- c) The subsidiary that operates a banking business has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a period of 3 years after the transfer date.
- d) The subsidiary has provided warranties in accordance with the terms of an agreement, related to the sale of a credit card business. The warranties cover a period of 2 years after the transfer of the business.

#### 4.29 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

##### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to maximise the use of observable inputs that are relevant to the assets or liabilities to be measured at fair value. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising the inputs used in the valuation techniques into three levels to determine their fair value, as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows



(Unaudited but reviewed)

As of 31 March 2019 and 31 December 2018, the Company and its subsidiaries have the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 March 2019				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
<b>Financial assets measured at fair value</b>					
Available-for-sale investments					
Equity securities	307	307	-	-	307
Debt securities	5,984	-	5,984	-	5,984
Unit trusts	898	837	61	-	898
<b>Financial liabilities measured at fair value</b>					
Derivatives					
Foreign exchange contracts	16	-	16	-	16
Interest rate swap agreements	4	-	4	-	4

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2018				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
<b>Financial assets measured at fair value</b>					
Derivatives					
Foreign exchange contracts	6	-	6	-	6
Available-for-sale investments					
Equity securities	300	300	-	-	300
Debt securities	7,652	-	7,652	-	7,652
Unit trusts	841	780	61	-	841
<b>Financial liabilities measured at fair value</b>					
Derivatives					
Interest rate swap agreements	11	-	11	-	11

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				
	As at 31 March 2019				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>					
Available-for-sale investments					
Unit trusts	837	837	-	-	837

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2018				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>					
Available-for-sale investments					
Unit trusts	780	780	-	-	780

Valuation techniques and inputs to Level 2 and Level 3 valuations

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association.
- b) The fair value of investments in non-marketable unit trusts has been determined by using the net asset value per unit amounted by fund manager.
- c) The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the current period, there were no transfers within the fair value hierarchy.

**5. Event after the reporting period**

On 22 April 2019, the 2019 Annual General Meeting of the shareholders of the Company passed a resolution approving a dividend payment of Baht 7.00 per share from the operating results of the year 2018 to ordinary and preference shareholders listed in the share register as at 30 April 2019. The dividend is to be paid on 17 May 2019 and will be recorded in the accounts in the second quarter of year 2019.

**6. Approval of interim financial statements**

These interim financial statements were approved by the Company's Audit Committee on 10 May 2019.