

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
30 September 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 statements of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in equity and cash flows for the nine-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: 8 November 2019

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	1,096,453	1,191,800	70	70
Interbank and money market items - net	36,358,476	54,071,389	355,998	641,395
Derivatives assets	4.2	-	5,685	-
Investments - net	4.3, 4.7	7,943,254	9,012,345	794,269
Investments in subsidiaries and joint venture - net	4.4	795,885	800,151	20,069,135
Loans to customers and accrued interest receivables	4.5, 4.7			
Loans to customers		261,433,522	261,056,899	2,325,000
Accrued interest receivables		729,307	642,526	-
Total loans to customers and accrued interest receivables		262,162,829	261,699,425	2,325,000
Less: Deferred revenue		(20,691,804)	(20,402,559)	-
Less: Allowance for doubtful accounts	4.6	(11,241,412)	(11,665,492)	-
Less: Allowance for loss on debt restructuring	4.6	(7,544)	(8,146)	-
Loans to customers and accrued interest receivables - net		230,222,069	229,623,228	2,325,000
Properties foreclosed - net		54,561	10,857	-
Investment properties		28,709	39,388	955,266
Premises and equipment - net		2,963,024	2,992,229	777,840
Intangible assets - net		345,622	448,222	118,810
Deferred tax assets		1,221,524	991,525	152,076
Securities and derivatives business receivables - net		670,145	948,528	-
Dividend receivable from subsidiaries		-	-	5,258,642
Other assets	4.8	2,166,509	2,409,287	190,500
Total assets		283,866,231	302,544,634	25,738,964
				31,092,360

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and equity					
Liabilities					
Deposits	4.9	202,783,215	193,108,310	-	-
Interbank and money market items		6,385,688	4,374,674	-	-
Liabilities payable on demand		451,245	238,219	-	-
Derivatives liabilities	4.2	4,518	10,653	-	-
Debts issued and borrowings	4.10	24,236,919	55,556,919	5,520,000	5,840,000
Provision for long-term employee benefits	4.11	1,321,709	827,442	248,981	176,986
Deferred tax liabilities		2,226	8,499	-	-
Securities and derivatives business payables - net		437,314	995,276	-	-
Accrued interest payable		1,069,761	881,275	21,893	9,871
Income tax payable		463,029	753,846	4,712	4,916
Other liabilities	4.12	9,315,717	7,960,065	1,660,672	1,481,562
Total liabilities		246,471,341	264,715,178	7,456,258	7,513,335

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2019

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)	30 September 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each	99	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
Share premium on preference shares	-	-	87	87
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,436
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,786,375	1,753,824	306,647	257,304
Retained earnings				
Appropriated-statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	25,778,166	26,116,740	2,136,981	7,482,643
	<u>37,390,504</u>	<u>37,696,527</u>	<u>18,282,706</u>	<u>23,579,025</u>
Equity attributable to equity holders of the Company				
Non-controlling interests of the subsidiaries	4,386	132,929	-	-
	<u>37,394,890</u>	<u>37,829,456</u>	<u>18,282,706</u>	<u>23,579,025</u>
Total equity				
	<u>283,866,231</u>	<u>302,544,634</u>	<u>25,738,964</u>	<u>31,092,360</u>
Total liabilities and equity				

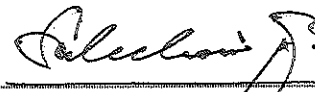
The accompanying notes are an integral part of the financial statements.



Mr. Suthas Ruangmanamongkol
(Group Chief Executive)



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



Mr. Sakchai Peechapat
(Executive Director)

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(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Continuing operations					
Interest income	4.14	4,376,674	4,408,372	14,127	17,771
Interest expenses	4.15	(1,266,143)	(1,298,294)	(28,041)	(27,329)
Net interest income		3,110,531	3,110,078	(13,914)	(9,558)
Fee and service income		1,560,559	1,531,651	-	-
Fee and service expenses		(69,569)	(57,977)	(3,992)	(2,882)
Net fee and service income	4.16	1,490,990	1,473,674	(3,992)	(2,882)
Net gains (losses) on trading and foreign exchange transactions	4.17	3,940	(15,925)	(5,133)	(18,427)
Net gains on investments	4.18	4,217	228,620	-	-
Share of profit from investment accounted for under equity method	4.4	26,219	22,225	-	-
Dividend income		23,016	25,755	-	-
Penalty fee income from loans		76,616	83,729	-	-
Intercompany supporting fee income	4.26	-	-	538,156	539,007
Other operating income	4.20, 4.26	27,660	43,163	20,926	19,410
Total operating income		4,763,189	4,971,319	536,043	527,550
Operating expenses					
Employee expenses		1,578,798	1,508,428	246,092	290,752
Directors' remuneration		4,330	3,750	4,330	3,750
Premises and equipment expenses		332,638	303,858	153,186	114,614
Taxes and duties		73,772	74,478	12	48
Other operating expenses	4.21	313,082	288,910	22,277	24,231
Total operating expenses		2,302,620	2,179,424	425,897	433,395
Bad debts, doubtful accounts and impairment losses	4.19	125,126	788,356	-	-
Profit from operations before income tax expenses		2,335,443	2,003,539	110,146	94,155
Income tax expenses	4.22	459,320	392,227	22,594	18,769
Profit for the period from continuing operations		1,876,123	1,611,312	87,552	75,386
Discontinued operations					
Profit for the period from discontinued operations		-	210,727	-	-
Total profit for the period		1,876,123	1,822,039	87,552	75,386

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income:	4.23				
Continuing operations					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		(48,555)	37,586	(16,543)	(3,290)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	4.4	578	755	-	-
Income tax effects	4.24	9,711	(7,517)	3,309	658
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(38,266)	30,824	(13,234)	(2,632)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains		-	1,871	-	-
Income tax effects	4.24	-	(771)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	1,100	-	-
Other comprehensive income for the period from continuing operations		(38,266)	31,924	(13,234)	(2,632)
Total other comprehensive income for the period		(38,266)	31,924	(13,234)	(2,632)
Total comprehensive income					
Total comprehensive income from continuing operations		1,837,857	1,643,236	74,318	72,754
Total comprehensive income from discontinued operations		-	210,727	-	-
Total comprehensive income for the period		<u>1,837,857</u>	<u>1,853,963</u>	<u>74,318</u>	<u>72,754</u>
Profits attributable to Equity holders of the Company					
Profit for the period from continuing operations	4.25	1,877,741	1,604,129	87,552	75,386
Profit for the period from discontinued operations		-	210,727	-	-
Profit for the period attributable to the Company		<u>1,877,741</u>	<u>1,814,856</u>	<u>87,552</u>	<u>75,386</u>
Non-controlling interests of the subsidiaries					
Profit (loss) for the period from continuing operations		(1,618)	7,183		
Profit for the period from discontinued operations		-	-		
Profit (loss) for the period attributable to non-controlling interests of the subsidiaries		(1,618)	7,183		
		<u>1,876,123</u>	<u>1,822,039</u>		

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2019

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

Note	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income for the period from continuing operations	1,839,475	1,636,053	74,318	72,754
Total comprehensive income for the period from discontinued operations	-	210,727	-	-
Total comprehensive income for the period attributable to the Company	<u>1,839,475</u>	<u>1,846,780</u>	<u>74,318</u>	<u>72,754</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income for the period from continuing operations	(1,618)	7,183		
Total comprehensive income for the period from discontinued operations	-	-		
Total comprehensive income for the period attributable to non-controlling interests of the subsidiaries	<u>(1,618)</u>	<u>7,183</u>		
	<u>1,837,857</u>	<u>1,853,963</u>		
Earnings per share of equity holders of the Company				
Basic earnings per share (Baht per share)	4.25			
Equity holders of the Company				
Profit from continuing operations	2.35	2.00	0.11	0.09
Profit from discontinued operations	-	0.27	-	-
	<u>2.35</u>	<u>2.27</u>	<u>0.11</u>	<u>0.09</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2019**

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Continuing operations					
Interest income	4.14	13,146,376	13,310,631	48,149	55,901
Interest expenses	4.15	(3,825,908)	(3,774,722)	(60,177)	(65,685)
Net interest income		9,320,468	9,535,909	(12,028)	(9,784)
Fee and service income		4,545,839	4,756,507	-	-
Fee and service expenses		(207,438)	(182,403)	(12,469)	(12,478)
Net fee and service income	4.16	4,338,401	4,574,104	(12,469)	(12,478)
Net gains (losses) on trading and foreign exchange transactions	4.17	(33,240)	1,756	(50,060)	(7,074)
Net gains on investments	4.18	4,780	493,995	-	23
Share of profit (loss) from investment accounted for under equity method	4.4	(5,686)	191,530	-	-
Dividend income		63,267	61,384	-	-
Penalty fee income from loans		226,358	253,186	-	-
Intercompany supporting fee income	4.26	-	-	1,666,081	1,625,180
Other operating income	4.20, 4.26	85,047	149,758	63,647	55,940
Total operating income		13,999,395	15,261,622	1,655,171	1,651,807
Operating expenses					
Employee expenses		4,784,549	4,408,732	774,012	844,992
Directors' remuneration		13,605	11,340	13,605	11,340
Premises and equipment expenses		968,878	897,568	453,075	343,975
Taxes and duties		221,122	230,075	2,295	2,150
Other operating expenses	4.21	903,821	1,058,111	85,259	102,659
Total operating expenses		6,891,975	6,605,826	1,328,246	1,305,116
Bad debts, doubtful accounts and impairment losses	4.19	370,872	2,236,942	-	-
Profit from operations before income tax expenses		6,736,548	6,418,854	326,925	346,691
Income tax expenses	4.22	1,328,201	1,229,656	60,457	59,704
Profit for the period from continuing operations		5,408,347	5,189,198	266,468	286,987
Discontinued operations					
Profit for the period from discontinued operations		-	128,306	-	-
Total profit for the period		5,408,347	5,317,504	266,468	286,987

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the nine-month period ended 30 September 2019

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

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income:	4.23				
Continuing operations					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		42,323	(126,806)	62,269	(45,736)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	4.4	1,421	3,122	-	-
Income tax effects	4.24	(8,465)	23,817	(12,454)	9,147
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		35,279	(99,867)	49,815	(36,589)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(178,686)	(18,575)	(10,365)	(8,386)
Income tax effects	4.24	35,610	2,945	2,073	1,677
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(143,076)	(15,630)	(8,292)	(6,709)
Other comprehensive income for the period from continuing operations		(107,797)	(115,497)	41,523	(43,298)
Total other comprehensive income for the period		(107,797)	(115,497)	41,523	(43,298)
Total comprehensive income					
Total comprehensive income from continuing operations		5,300,550	5,073,701	307,991	243,689
Total comprehensive income from discontinued operations		-	128,306	-	-
Total comprehensive income for the period		5,300,550	5,202,007	307,991	243,689
Profits attributable to Equity holders of the Company					
Profit for the period from continuing operations	4.25	5,405,492	5,161,793	266,468	286,987
Profit for the period from discontinued operations		-	128,306	-	-
Profit for the period attributable to the Company		5,405,492	5,290,099	266,468	286,987
Non-controlling interests of the subsidiaries					
Profit for the period from continuing operations		2,855	27,405		
Profit for the period from discontinued operations		-	-		
Profit for the period attributable to non-controlling interests of the subsidiaries		2,855	27,405		
		5,408,347	5,317,504		

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2019

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

Note	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income for the period from continuing operations	5,297,815	5,046,414	307,991	243,689
Total comprehensive income for the period from discontinued operations	-	128,306	-	-
Total comprehensive income for the period attributable to the Company	<u>5,297,815</u>	<u>5,174,720</u>	<u>307,991</u>	<u>243,689</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income for the period from continuing operations	2,735	27,287		
Total comprehensive income for the period from discontinued operations	-	-		
Total comprehensive income for the period attributable to non-controlling interests of the subsidiaries	<u>2,735</u>	<u>27,287</u>		
	<u>5,300,550</u>	<u>5,202,007</u>		
Earnings per share of equity holders of the Company				
Basic earnings per share (Baht per share)	4.25			
Equity holders of the Company				
Profit from continuing operations	6.75	6.45	0.33	0.36
Profit from discontinued operations	-	0.16	-	-
	<u>6.75</u>	<u>6.61</u>	<u>0.33</u>	<u>0.36</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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before income tax from continuing operations	6,736,548	6,418,854	326,925	346,691
Profit before income tax from discontinued operations	-	128,306	-	-
Profits from operations before income tax	6,736,548	6,547,160	326,925	346,691
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	287,603	289,832	111,017	113,891
Share of profit from investment accounted for under equity method	5,686	(191,530)	-	-
Bad debts and doubtful accounts	1,768,174	3,925,467	-	-
Allowance for impairment of investments (reversal)	4,774	(1,134)	-	-
Allowance for impairment of properties foreclosed (reversal)	(10,887)	652	-	-
Gains on disposal of investments in securities	(10,464)	(492,971)	-	-
Unrealised (gains) losses on foreign exchange transactions and trading derivatives	44,738	(2,886)	50,060	7,074
Gains on disposal of equipment and intangible assets	(2,894)	(5,229)	(830)	(972)
Losses on written-off of equipment	510	482	55	-
Gains on disposal of properties foreclosed	(36,845)	(58,926)	-	-
Employee benefit expenses	328,758	80,168	63,658	12,328
(Increase) decrease in accrued income	(110,282)	230,478	(1,616)	5,075
Increase in accrued expenses	1,270,042	1,674,844	294,080	397,910
Net interest income	(9,320,468)	(9,749,809)	12,028	9,784
Dividend income	(63,267)	(61,384)	-	-
Cash received on interest income	12,834,545	13,363,806	48,133	55,505
Cash paid on interest expenses	(2,847,147)	(2,682,060)	(48,155)	(85,705)
Cash received on dividend income	63,267	61,384	5,258,642	4,132,342
Cash received on income tax	18,967	-	-	-
Cash paid on income tax expenses	(1,772,260)	(1,945,879)	(70,429)	(85,934)
Profit from operating activities before changes in operating assets and liabilities	9,189,098	10,982,465	6,043,568	4,907,989
Operating assets (increase) decrease				
Interbank and money market items - net	17,712,847	(11,675,795)	285,397	(1,691,307)
Loans to customers	(3,543,772)	7,213,002	(250,000)	1,605,000
Securities and derivatives business receivables	278,383	953,761	-	-
Receivables from clearing house	89,221	(628,005)	-	-
Properties foreclosed	1,272,500	1,277,986	-	-
Other assets	209,796	128,669	-21,898	-25,044

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 nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Operating liabilities increase (decrease)				
Deposits	9,674,905	10,228,653	-	-
Interbank and money market items	2,011,014	3,740	-	-
Liabilities payable on demand	213,026	(107,872)	-	-
Securities and derivatives business payables	(557,962)	(208,937)	-	-
Short-term debts issued and borrowings	(320,000)	(23,490,700)	(320,000)	(650,000)
Payable to clearing house	192,757	(113,385)	-	-
Provision for long-term employee benefits	(13,177)	(10,970)	(2,028)	(1,213)
Other liabilities	(736,040)	(1,229,466)	(116,745)	(78,460)
Net cash flows from (used in) operating activities	35,672,596	(6,676,854)	5,618,294	4,066,965
Cash flows from investing activities				
Cash paid for purchase of investments in securities held for investment	(15,611,661)	(26,868,299)	(122,989)	-
Cash received from disposal of investments in securities held for investment	16,678,606	23,069,477	123,000	-
Cash paid for purchase of investments in subsidiaries	(87,719)	-	(8)	-
Cash paid for purchase of equipment	(123,446)	(115,480)	(12,568)	(33,811)
Cash paid for purchase of intangible assets	(22,451)	(53,706)	(8,372)	(31,084)
Cash received from disposal of equipment	3,157	11,788	7,036	972
Cash received from disposal of intangible assets	-	1,637	36	-
Net cash flows from (used in) investing activities	836,486	(3,954,583)	(13,865)	(63,923)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	2,400,000	20,000,000	-	-
Cash paid for redemption of long-term debentures	(33,400,000)	(5,500,000)	-	-
Dividend paid	(5,604,429)	(4,003,042)	(5,604,429)	(4,003,042)
Net cash flows from (used in) financing activities	(36,604,429)	10,496,958	(5,604,429)	(4,003,042)
Net decrease in cash	(95,347)	(134,479)	-	-
Cash at beginning of the period	1,191,800	1,324,808	70	70
Cash at end of the period	1,096,453	1,190,329	70	70
	-	-	-	-

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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to equity holders of the Company													
Other components of equity													
Note	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			
Balance as at 1 January 2018	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
Dividend paid	5	-	-	-	-	-	-	-	-	(4,003,042)	(4,003,042)	-	(4,003,042)
Profit for the period	-	-	-	-	-	-	-	-	-	5,290,099	5,290,099	27,405	5,317,504
Other comprehensive income for the period	-	-	-	(102,989)	-	3,122	-	(99,867)	-	(15,512)	(115,379)	(118)	(115,497)
Total comprehensive income for the period	-	-	-	(102,989)	-	3,122	-	(99,867)	-	5,274,587	5,174,720	27,287	5,202,007
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(7,464)	-	-	(7,464)	-	7,464	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
Balance as at 30 September 2018	99	8,006,456	1,018,408	(6,081)	871,821	865	679,266	1,545,871	801,000	24,404,373	35,776,207	132,473	35,908,680
Balance as at 1 January 2019	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
Dividend paid	5	-	-	-	-	-	-	-	-	(5,604,429)	(5,604,429)	-	(5,604,429)
Profit for the period	-	-	-	-	-	-	-	-	-	5,405,492	5,405,492	2,855	5,408,347
Other comprehensive income for the period	-	-	-	33,859	-	1,421	-	35,280	-	(142,957)	(107,677)	(120)	(107,797)
Total comprehensive income for the period	-	-	-	33,859	-	1,421	-	35,280	-	5,262,535	5,297,815	2,735	5,300,550
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,729)	-	-	(2,729)	-	3,320	591	-	591
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(131,278)	(131,278)
Balance as at 30 September 2019	99	8,006,456	1,018,408	(57,203)	1,161,631	2,681	679,266	1,786,375	801,000	25,778,166	37,390,504	4,386	37,394,890

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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

Note	Separate financial statements									
	Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
	Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on changes in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of equity	Appropriated	Unappropriated	
	shares	shares	shares	shares				investments	assets	of equity
Balance as at 1 January 2018	99	8,006,456	87	7,031,436	16,457	224,985	241,442	801,000	5,879,117	21,959,637
Dividend paid	5	-	-	-	-	-	-	-	(4,003,042)	(4,003,042)
Profit for the period	-	-	-	-	-	-	-	-	286,987	286,987
Other comprehensive income for the period	-	-	-	-	(36,589)	-	(36,589)	-	(6,709)	(43,298)
Total comprehensive income for the period	-	-	-	-	(36,589)	-	(36,589)	-	280,278	243,689
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(1,123)	(1,123)	-	1,123	-
Balance as at 30 September 2018	99	8,006,456	87	7,031,436	(20,132)	223,862	203,730	801,000	2,157,476	18,200,284
Balance as at 1 January 2019	99	8,006,456	87	7,031,436	(49,621)	306,925	257,304	801,000	7,482,643	23,579,025
Dividend paid	5	-	-	-	-	-	-	-	(5,604,429)	(5,604,429)
Profit for the period	-	-	-	-	-	-	-	-	266,468	266,468
Other comprehensive income for the period	-	-	-	-	49,815	-	49,815	-	(8,292)	41,523
Total comprehensive income for the period	-	-	-	-	49,815	-	49,815	-	258,176	307,991
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(472)	(472)	-	591	119
Balance as at 30 September 2019	99	8,006,456	87	7,031,436	194	306,453	306,647	801,000	2,136,981	18,282,706

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which 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
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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 change is expected to increase profit after tax and increase basic earnings per share of the current period as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht, except earnings per share expressed in Baht)
For the three-month period
ended 30 September 2019

	Consolidated financial statements	Separate financial statements
Increase in profit after tax	3,896	894
Increase in basic earnings per share	0.005	0.001

(Unit: Thousand Baht, except earnings per share expressed in Baht)
For the nine-month period
ended 30 September 2019

	Consolidated financial statements	Separate financial statements
Increase in profit after tax	11,688	2,682
Increase in basic earnings per share	0.015	0.003

The amounts affecting the future statements of comprehensive income are summarised below.

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in profit after tax	Increase (decrease) in basic earnings per share	Increase (decrease) in profit after tax	Increase (decrease) in basic earnings per share
	(Thousand Baht)	(Baht per share)	(Thousand Baht)	(Baht per share)
For the year 2019	15,584	0.02	3,577	0.01
For the year 2020	15,584	0.02	3,577	0.01
For the year 2021	15,584	0.02	3,577	0.01
For the year 2022	15,584	0.02	3,577	0.01
For the year 2023 - 2048	(62,337)	(0.08)	(14,307)	(0.02)

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.

(Unaudited but reviewed)

The amounts of adjustments affecting the consolidated statements of financial position as at 30 September 2019 and the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Decrease	TFRS 15
Statement of financial position			
As at 30 September 2019			
Assets			
Other assets	2,335	(168)	2,167
Total assets	284,034	(168)	283,866
Liabilities			
Income tax payable	497	(34)	463
Total liabilities	246,505	(34)	246,471
Equity			
Retained earnings - Unappropriated	25,912	(134)	25,778
Total equity	37,529	(134)	37,395
Total liabilities and equity	284,034	(168)	283,866

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Decrease	TFRS 15
Statement of comprehensive income			
For the three-month period ended			
30 September 2019			
Profit or loss:			
Fee and service income	1,641	(80)	1,561
Income tax expenses	475	(16)	459
Profit for the period	1,940	(64)	1,876
Attributable to:			
Profit attributable to equity holders of the Company	1,942	(64)	1,878
Earnings per share (Baht):			
Basic earnings per share	2.43	(0.08)	2.35

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		
	Previous accounting policy	Decrease	TFRS 15
Statement of comprehensive income			
For the nine-month period ended			
30 September 2019			
Profit or loss:			
Fee and service income	4,714	(168)	4,546
Income tax expenses	1,362	(34)	1,328
Profit for the period	5,542	(134)	5,408
Attributable to:			
Profit attributable to equity holders of the Company	5,539	(134)	5,405
Earnings per share (Baht):			
Basic earnings per share	6.92	(0.17)	6.75

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 in 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 30 September 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	
			30 September 2019	31 December 2018
<u>Subsidiaries directly held by the Company</u>				
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
<u>Subsidiaries indirectly held by the Company</u>				
TISCO Investment Advisory Securities Co., Ltd. (Previously known as "Deutsche TISCO Investment Advisory Co., Ltd.")	Securities business	Thailand	99.99	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 risks	Consolidated financial statements as at					
	30 September 2019			31 December 2018		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	4,518	930,361	5,685	-	717,751
Interest rate	-	-	-	-	10,653	1,200,000
Total	-	4,518	930,361	5,685	10,653	1,917,751

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	
	30 September 2019	31 December 2018
Available-for-sale investments - fair value		
Government and state enterprise securities	6,417,348	7,467,598
Private sector debt securities	184,317	186,078
Domestic marketable equity securities	271,975	299,562
Other securities - domestic unit trusts	59,539	60,777
Other securities - foreign unit trusts	794,269	780,284
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	7,725,988	8,792,839
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	12,442	13,352
Less: Allowance for impairment	(12,442)	(13,352)
Total held-to-maturity debt securities	-	-
General investments - cost		
Domestic non-marketable equity securities	257,578	254,134
Less: Allowance for impairment	(40,312)	(34,628)
Total general investments	217,266	219,506
Investments - net	7,943,254	9,012,345

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2019	31 December 2018
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	794,269	780,284
Investments - net	794,269	780,284

4.3.2 Classified by remaining years to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 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
Available-for-sale investments								
Government and state enterprise securities	6,414	3	-	6,417	7,464	3	-	7,467
Private sector debt securities	184	-	-	184	1	185	-	186
Total	6,598	3	-	6,601	7,465	188	-	7,653
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	6,597	3	-	6,600	7,464	188	-	7,652
Held-to-maturity debt securities								
Investment in receivables	12	-	-	12	13	-	-	13
Less: Allowance for impairment	(12)	-	-	(12)	(13)	-	-	(13)
Total	-	-	-	-	-	-	-	-
Total debt securities	6,597	3	-	6,600	7,464	188	-	7,652

4.3.3 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements as at		Type of restrictions
	30 September 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 30 September 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					
	30 September 2019			31 December 2018		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	5,707	-	10	3,659	-	10
PDTL Trading Co., Ltd.	3,637	-	10	4,320	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	4,097	-	10	3,932	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	11,299	-	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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Investments in subsidiaries	-	-	19,995,890	19,995,882
Investment in joint venture	795,885	800,151	73,245	73,245
	<u>795,885</u>	<u>800,151</u>	<u>20,069,135</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 nine-month periods ended	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	30 September 2018
				(%)	(%)				
Subsidiaries directly held by the Company									
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	770	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	200	700	-	-
						<u>20,105</u>	<u>20,105</u>	<u>-</u>	<u>-</u>
						(109)	(109)		
Less: Allowance for impairment						<u>19,996</u>	<u>19,996</u>		
Investments in subsidiaries - net									

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)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	795,885	800,151

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Separate financial statements							
		Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 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 30 September		Share of other comprehensive income from investment in joint venture for the three-month periods ended 30 September		Dividend received for the three-month periods ended 30 September	
	2019	2018	2019	2018	2019	2018
TISCO Tokyo Leasing Co., Ltd.	26,219	22,225	578	755	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the nine-month periods ended 30 September		Share of other comprehensive income from investment in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
Jointly controlled entity	2019	2018	2019	2018	2019	2018
TISCO Tokyo Leasing Co., Ltd.	(5,686)	191,530	1,421	3,122	-	-

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	
	30 September 2019	31 December 2018
Loans to customers		
Overdrafts	157,018	369,084
Loans	99,799,261	98,933,065
Hire purchase receivables	161,466,087	161,733,691
Finance lease receivables	25,704	53,970
Less: Deferred revenue	(20,691,804)	(20,402,559)
Advances received from finance lease receivables	(14,548)	(32,911)
Total loans to customers	240,741,718	240,654,340
Add: Accrued interest receivables	729,307	642,526
Less: Allowance for doubtful accounts	(11,241,412)	(11,665,492)
Allowance for loss on debt restructuring	(7,544)	(8,146)
Loans to customers and accrued interest receivables - net	230,222,069	229,623,228

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2019	31 December 2018
Loans to customers		
Loans	2,325,000	2,075,000
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	2,325,000	2,075,000

4.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2019			31 December 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	232,583,495	7,227,862	239,811,357	233,094,849	6,841,740	239,936,589
US Dollars	-	930,361	930,361	-	717,751	717,751
Total loans to customers						
net of deferred revenue	<u>232,583,495</u>	<u>8,158,223</u>	<u>240,741,718</u>	<u>233,094,849</u>	<u>7,559,491</u>	<u>240,654,340</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2019			31 December 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,325,000	-	2,325,000	2,075,000	-	2,075,000
Total loans to customers						
net of deferred revenue	<u>2,325,000</u>	<u>-</u>	<u>2,325,000</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					
	30 September 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 ^{(1) (2)}	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}
Provision under BOT's guidelines						
- Pass	215,139	174,888	2,490	214,194	178,483	2,512
- Special mention	15,645	14,382	2,235	16,706	15,096	3,194
- Sub-standard	2,851	2,333	1,169	3,356	3,073	1,269
- Doubtful	1,691	1,358	540	1,536	1,315	586
- Doubtful of loss	1,468	850	444	1,417	817	531
Allowance established in excess	-	-	3,693	-	-	2,951
Total	<u>236,794</u>	<u>193,811</u>	<u>10,571</u>	<u>237,209</u>	<u>198,784</u>	<u>11,043</u>

⁽¹⁾ Allowance for doubtful accounts for loans to customers is determined based on debt balance less collateral value in accordance with the BOT's guidelines (except for hire purchase and finance lease receivables, for which TISCO Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ As at 30 September 2019, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor. 5/2559 minimum requirement by a total of Baht 6,061 million (As at 31 December 2018: total of Baht 6,428 million). TISCO Bank allocated Baht 2,368 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 4,510 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 6,878 million (As at 31 December 2018: total of Baht 8,092 million).

Percentage of allowance for doubtful accounts set up (%)

	Hire purchase receivables ⁽¹⁾		Loan against auto license receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at		As at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Pass	0.79	0.83	1.99	1.43	1	1
Special mention	7.60	11.56	17.52	16.80	2	2
Sub-standard	29.45	26.59	38.54	37.75	100	100
Doubtful	27.16	26.60	38.54	37.75	100	100
Doubtful of loss	28.28	27.67	38.54	37.75	100	100

⁽¹⁾ 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.

⁽²⁾ 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 30 September 2019, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 140,964 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 30 September 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	49,383	96,577	7,193	8,339	161,492
Less: Deferred revenue ⁽¹⁾	(6,808)	(9,055)	(306)	(4,344)	(20,513)
Advances received from finance lease receivables	(15)	-	-	-	(15)
Present value of minimum lease pay from agreements	42,560	87,522	6,887	3,995	140,964
Allowance for doubtful accounts ⁽²⁾					(3,438)
Net hire purchase and finance lease receivables					137,526

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

⁽²⁾ 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 ⁽¹⁾	(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 ⁽²⁾					(3,835)
Net hire purchase and finance lease receivables					137,696

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

⁽²⁾ 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 ⁽²⁾ as at		Amounts calculated under TISCO Bank's policy as at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	7,645	8,040	8,435

⁽¹⁾ These amounts are calculated on an account by account basis.

⁽²⁾ Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

(Unit: Million Baht)

Other subsidiaries	As at	
	30 September 2019	31 December 2018
Hire purchase receivables, finance lease receivables and other loan receivables for which the recognition of interest income has been ceased	704	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	
	30 September 2019	31 December 2018
Deferred revenue ⁽¹⁾	20,692	20,403

⁽¹⁾ 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		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Debtors restructured during the period				
Number of debtors restructured by modification of terms (number)	231	289	837	921
Loan balances before restructuring (Million Baht)	71	673	274	858
Loan balances after restructuring (Million Baht)	71	670	276	855
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	4	4	4	4
Mortgage loan receivables	-	4	5	4
Loan against auto license receivables	4	5	4	5

Supplemental information for the three-month and nine-month periods ended 30 September 2019 and 2018 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Interest income on restructured receivables	37	64	139	215
Receipt of principal and interest	284	390	894	1,183

(Unaudited but reviewed)

As at 30 September 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			
	30 September 2019		31 December 2018	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	11,753	2,348	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 30 September 2019							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
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	25,456	(919,166)	(6,351)	1,062,595	943,820	662,422	1,768,776
Bad debts written-off	(621)	(18,338)	(72,039)	(1,084,379)	(1,017,479)	-	(2,192,856)
Balance - end of period	<u>2,681,237</u>	<u>2,346,007</u>	<u>1,298,572</u>	<u>649,069</u>	<u>539,188</u>	<u>3,727,339</u>	<u>11,241,412</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2018							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
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 30 September 2019			
	Individual	Collective	Allowance	Total
	impairment	impairment	established in excess	
Balance - beginning of period	3,682,409	4,918,166	3,064,917	11,665,492
Increase (decrease) in allowance for doubtful accounts during the period	(376,008)	1,482,362	662,422	1,768,776
Bad debts written-off	(380,585)	(1,812,271)	-	(2,192,856)
Balance - end of period	<u>2,925,816</u>	<u>4,588,257</u>	<u>3,727,339</u>	<u>11,241,412</u>

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2018			
	Individual	Collective	Allowance	Total
	impairment	impairment	established in excess	
Balance - beginning of year	4,548,613	4,696,592	2,201,961	11,447,166
Increase in allowance for doubtful accounts during the year	1,249,326	2,786,228	862,956	4,898,510
Bad debts written-off	(2,021,999)	(2,431,457)	-	(4,453,456)
Transfer out from sales of receivables	(93,531)	(133,197)	-	(226,728)
Balance - end of year	<u>3,682,409</u>	<u>4,918,166</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	
	30 September 2019	31 December 2018
Balance - beginning of period/year	8,146	8,948
Increase during the period/year	-	-
Amortisation during the period/year	(602)	(802)
Balance - end of period/year	<u>7,544</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	
	30 September 2019	31 December 2018
Non-performing loans to customers	6,010	6,309
Allowance for doubtful accounts ⁽¹⁾	2,153	2,386

⁽¹⁾ 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.

4.7 Classification of assets

4.7.1 Investments in companies with weak financial positions 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	Debt instruments - debentures ⁽¹⁾	1	1	-	-	1

⁽¹⁾ 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 30 September 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 ⁽¹⁾		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Pass	247,975	264,469	-	-	-	-	-	-	247,975	264,469
Special mention	15,437	16,533	-	-	-	-	-	-	15,437	16,533
Sub-standard	2,851	3,356	-	-	-	-	-	-	2,851	3,356
Doubtful	1,691	1,536	-	-	-	-	-	-	1,691	1,536
Doubtful of loss	1,468	1,417	42	36	12	13	1	12	1,523	1,478
Total	269,422	287,311	42	36	12	13	1	12	269,477	287,372

⁽¹⁾ 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 ⁽¹⁾		Percentage of allowance for doubtful accounts setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
					(%)	(%)		
Pass	121,809	122,837	121,809	122,837	0.79	0.83	965	1,018
Special mention	11,176	11,319	11,176	11,319	7.60	11.56	849	1,309
Sub-standard	1,723	1,811	1,723	1,811	29.45	26.59	507	481
Doubtful	971	900	971	900	27.16	26.60	264	239
Doubtful of loss	657	614	657	614	28.28	27.67	186	170
Total	136,336	137,481	136,336	137,481			2,771	3,217

⁽¹⁾ 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.

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

⁽³⁾ 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 ⁽¹⁾		Allowance for doubtful accounts ⁽²⁾	
	as at		as at		as at		as at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
					(%)	(%)		
Pass	25,917	22,835	25,917	22,835	1.99	1.43	516	327
Special mention	2,599	2,816	2,599	2,816	17.52	16.80	455	473
Sub-standard	415	923	415	923	38.54	37.75	160	348
Doubtful	255	236	255	236	38.54	37.75	98	89
Doubtful of loss	76	45	76	45	38.54	37.75	29	17
Total	29,262	26,855	29,262	26,855			1,258	1,254

⁽¹⁾ 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.

⁽²⁾ 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Pass	3,404	2,960	191	138	3,213	2,822
Special mention	576	516	111	188	465	328
Sub-standard	232	201	130	108	102	93
Doubtful	196	163	109	85	87	78
Doubtful of loss	220	203	129	103	91	100
Total	4,628	4,043	670	622	3,958	3,421

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 ⁽²⁾	
	as at		as at		as at		as at	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018	30 September 2019	31 December 2018
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET ⁽¹⁾	1	1	529	578	483	531	529 ⁽³⁾	578 ⁽³⁾
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	8	11	730	1,315	246	293	9	50
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	9	12	1,259	1,893	729	824	538	628

⁽¹⁾ The company is currently under rehabilitation.

⁽²⁾ 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.

⁽³⁾ 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Receivables from clearing house	25,390	114,611	-	-
Value added tax - net	338,064	571,227	1,136	3,300
Accrued interest receivables	2,552	20,365	-	-
Fee and service receivables	457,276	346,994	125,744	124,128
Refundable income tax and prepaid income tax	29,465	35,156	-	-
Deposits	85,087	81,170	2,095	2,118
Other receivables	788,771	835,721	1,750	-
Other assets	439,904	404,043	59,775	37,437
Total other assets	2,166,509	2,409,287	190,500	166,983

4.9 Deposits

4.9.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2019	31 December 2018
Deposits		
Current accounts	2,848,445	2,483,555
Saving accounts	37,662,446	54,683,842
Fixed accounts		
- not over 6 months	17,221,760	16,081,571
- over 6 months but not over 1 year	33,097,770	20,441,879
- over 1 year	4,036,024	3,551,294
Certificates of deposit/negotiable certificates of deposit	107,916,770	95,866,169
Total	202,783,215	193,108,310

4.9.2 Classified by the remaining years of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2019	31 December 2018
Not over 1 year ⁽¹⁾	202,196,514	189,170,624
Over 1 year	586,701	3,937,686
Total deposits	202,783,215	193,108,310

⁽¹⁾ Including fully-mature deposit contracts

4.9.3 As at 30 September 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,680,000	6,680,000	-	-
Unsubordinated unsecured debentures	17,520,000	43,000,000	5,520,000	-
Bills of exchange	36,122	5,876,122	-	5,840,000
Promissory notes	797	797	-	-
Total	<u>24,236,919</u>	<u>55,556,919</u>	<u>5,520,000</u>	<u>5,840,000</u>

4.10.1 Subordinated unsecured debentures

As at 30 September 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
	30 September 2019	31 December 2018		30 September 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
Total				<u>6,680</u>	<u>6,680</u>		

4.10.2 Unsubordinated unsecured debentures

As at 30 September 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
		30 September 2019	31 December 2018		30 September 2019	31 December 2018		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	Long-term debenture	-	10.00	1,000	-	10,000	2019	1.85 - 1.95 percent per annum
2017	Long-term debenture	-	13.00	1,000	-	13,000	2019	1.75 - 1.85 percent per annum
2018	Long-term debenture	-	8.00	1,000	-	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	5.52	-	1,000	5,520	-	2019	1.90 percent per annum
Total					17,520	43,000		

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
		30 September 2019	31 December 2018		30 September 2019	31 December 2018		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2019	Short-term debenture	5.52	-	1,000	5,520	-	2019	1.90 percent per annum
Total					5,520	-		

4.10.3 Bills of exchange

Bills of exchange comprise bills of exchange that mature at call and bear interest at a fixed rate of 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Payable to clearing house	253,322	60,565	-	-
Withholding income tax and other tax payables	156,579	477,062	12,599	127,572
Accrued insurance premium	551,125	638,693	-	-
Deferred income	1,676,248	1,464,621	-	-
Accrued expenses	5,146,152	3,876,110	1,647,973	1,353,893
Suspense creditors	1,018,127	1,082,473	-	-
Other liabilities	514,164	360,541	100	97
Total other liabilities	9,315,717	7,960,065	1,660,672	1,481,562

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's 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 30 September 2019 and 31 December 2018, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 1,046 million and Baht 859 million, respectively (The Company only: Baht 507 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, car inventory financing loans, equity exposure and other assets.

Regarding Capital funds as at 30 September 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	
	30 September 2019	31 December 2018
<u>Common Equity Tier I capital</u>		
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	20,512,152	19,122,322
Other components of equity	1,786,375	1,458,770
Less: Deductions from Common Equity Tier I items	(1,679,607)	(1,581,233)
Total Common Equity Tier I capital	30,444,784	28,825,723
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preference shares	99	99
Total Tier I capital	30,444,883	28,825,822
<u>Tier II capital</u>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	715,260	682,051
Reserve for loans classified as pass	714,647	729,829
Total Tier II capital	8,109,907	8,091,880
Total capital funds	38,554,790	36,917,702

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2019		31 December 2018	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	17.26	7.00	16.75	6.375
Tier I capital to risk assets	17.26	8.50	16.75	7.875
Total capital to risk assets	21.86	11.00	21.46	10.375

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

(Unit: Thousand Baht)

	As at	
	30 September 2019	31 December 2018
<u>Common Equity Tier I capital</u>		
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	17,277,459	15,959,967
Other components of equity	305,861	197,999
Less: Deductions from Common Equity Tier I items	(1,071,814)	(972,378)
Total Common Equity Tier I capital	29,254,206	27,928,288
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non cumulative preference shares	1	1
Total Tier I capital	29,254,207	27,928,289
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	697,428	664,553
Reserve for loans classified as pass	548,191	571,301
Total Tier II capital	7,925,619	7,915,854
Total capital funds	37,179,826	35,844,143

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2019		31 December 2018	
	TISCO		TISCO	
	Bank	Requirement	Bank	Requirement
Common Equity Tier I capital to risk assets	18.27	7.00	17.85	6.375
Tier I capital to risk assets	18.27	8.50	17.85	7.875
Total capital to risk assets	23.22	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 30 June 2019 on its website (www.tisco.co.th) in October 2019.

4.14 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Interbank and money market items	107,292	192,876	472,307	515,307
Investments in debt securities	66,488	55,971	181,833	143,588
Loans to customers	2,022,880	1,991,931	5,977,723	6,096,958
Hire purchase and finance lease	2,180,014	2,167,594	6,514,513	6,554,778
Total interest income	4,376,674	4,408,372	13,146,376	13,310,631

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Interbank and money market items	1,115	1,425	5,857	4,721
Investments in debt securities	107	-	3,755	2,424
Loans to customers	12,905	16,346	38,537	48,756
Total interest income	14,127	17,771	48,149	55,901

4.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Deposits	845,897	677,316	2,394,150	1,903,123
Interbank and money market items	6,603	6,981	19,628	21,140
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	256,711	281,053	804,836	834,539
Issued debt securities				
- Subordinated debentures	68,571	80,670	206,503	239,380
- Unsubordinated debentures	88,131	224,680	387,757	710,138
Borrowings	230	27,594	13,034	66,402
Total interest expenses	1,266,143	1,298,294	3,825,908	3,774,722

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Interbank and money market items	65	-	65	-
Issued debt securities				
- Unsubordinated debentures	27,976	-	47,760	-
Borrowings	-	27,329	12,352	65,685
Total interest expenses	28,041	27,329	60,177	65,685

4.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Fee and service income				
- Acceptance, aval and guarantees	512	567	3,799	4,784
- Insurance service	787,563	658,324	2,231,411	2,050,686
- Brokerage fee	201,420	194,873	566,648	665,667
- Fund management	301,633	360,841	880,328	955,126
- Others	269,431	317,046	863,653	1,080,244
Total fee and service income	1,560,559	1,531,651	4,545,839	4,756,507
Fee and service expenses				
- Information service expenses	(3,782)	(3,826)	(11,524)	(11,362)
- Others	(65,787)	(54,151)	(195,914)	(171,041)
Total fee and service expenses	(69,569)	(57,977)	(207,438)	(182,403)
Net fee and service income	1,490,990	1,473,674	4,338,401	4,574,104

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Fee and service income	-	-	-	-
Fee and service expenses	(3,992)	(2,882)	(12,469)	(12,478)
Net fee and service income	(3,992)	(2,882)	(12,469)	(12,478)

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

Net gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	(11,303)	(18,979)	(62,013)	(7,526)
- Derivatives on interest rates	(6)	265	(2)	(1,866)
- Debt securities	15,328	2,796	28,869	11,217
- Others	(79)	(7)	(94)	(69)
Net gains (losses) on trading and foreign exchange transactions	<u>3,940</u>	<u>(15,925)</u>	<u>(33,240)</u>	<u>1,756</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Losses on trading and foreign exchange transactions				
- Foreign currencies	(5,133)	(18,427)	(50,060)	(7,074)
Net losses on trading and foreign exchange transactions	<u>(5,133)</u>	<u>(18,427)</u>	<u>(50,060)</u>	<u>(7,074)</u>

4.18 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Gains (losses) on disposal				
- Available-for-sale investments	552	524	(169)	56,846
- Held-to-maturity debt securities	1,642	2,663	8,715	6,600
- General investments	1,918	225,160	1,918	429,525
Total	4,112	228,347	10,464	492,971
Reversal of allowance for losses (losses) on impairment				
- General investments	105	273	(5,684)	1,024
Total	105	273	(5,684)	1,024
Net gains on investments	4,217	228,620	4,780	493,995

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Gains on disposal				
- Available-for-sale-investments	-	-	-	23
Net gains on investment	-	-	-	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 and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Interbank and money market items	-	(73)	-	-
Held-to-maturity debt securities (reversal)	(74)	(1)	(910)	(110)
Loans to customers	125,200	788,430	371,782	2,237,052
Total	125,126	788,356	370,872	2,236,942

4.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Gains on disposal of properties foreclosed	8,659	18,479	36,845	58,926
Gains on sales of receivables	-	11,266	-	52,588
Others	19,001	13,418	48,202	38,244
Total	27,660	43,163	85,047	149,758

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Rental income	20,089	17,593	60,603	52,751
Others	837	1,817	3,044	3,189
Total	20,926	19,410	63,647	55,940

4.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Mailing expenses	18,163	16,844	54,477	55,721
Software amortisation expenses	41,444	41,319	125,584	124,257
Legal expenses relating to the business	77,414	84,113	226,456	439,323
Transportation expenses	26,470	28,484	77,080	79,868
Expenses related to the repossession and the disposal of repossessed assets	26,883	24,276	75,428	68,485
Advertising and business promotion expenses	59,820	36,892	121,189	100,514
Others	62,888	56,982	223,607	189,943
Total	313,082	288,910	903,821	1,058,111

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Mailing expenses	32	76	91	225
Software amortisation expenses	15,718	17,094	49,592	52,692
Transportation expenses	2,553	2,819	6,790	7,220
Advertising and business promotion expenses	327	213	8,525	591
Others	3,647	4,029	20,261	41,931
Total	22,277	24,231	85,259	102,659

4.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Current income tax:				
Income tax expenses for the period	549,188	506,442	1,536,820	1,521,794
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(89,868)	(114,215)	(208,619)	(292,138)
Income tax expenses reported in the statement of comprehensive income	459,320	392,227	1,328,201	1,229,656

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Current income tax:				
Income tax expenses for the period	22,354	17,839	70,224	61,890
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	240	930	(9,767)	(2,186)
Income tax expenses reported in the statement of comprehensive income	22,594	18,769	60,457	59,704

4.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	(48,003)	38,110	42,154	(69,960)
Add (less): Reclassification adjustments for (gains) losses included in profit or loss	(552)	(524)	169	(56,846)
	(48,555)	37,586	42,323	(126,806)
Actuarial gains (losses)	-	1,871	(178,686)	(18,575)
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	578	755	1,421	3,122
Other comprehensive income	(47,977)	40,212	(134,942)	(142,259)
Income tax effects relating to components of other comprehensive income	9,711	(8,288)	27,145	26,762
Net other comprehensive income for the period	<u>(38,266)</u>	<u>31,924</u>	<u>(107,797)</u>	<u>(115,497)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	(16,543)	(3,290)	62,269	(45,713)
Add (less): Reclassification adjustments for (gains) losses included in profit or loss	-	-	-	(23)
	(16,543)	(3,290)	62,269	(45,736)
Actuarial losses	-	-	(10,365)	(8,386)
Other comprehensive income	(16,543)	(3,290)	51,904	(54,122)
Income tax effects relating to components of other comprehensive income	3,309	658	(10,381)	10,824
Net other comprehensive income for the period	<u>(13,234)</u>	<u>(2,632)</u>	<u>41,523</u>	<u>(43,298)</u>

4.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

Consolidated financial statements						
For the three-month periods ended 30 September						
2019			2018			
	Tax			Tax		
	(expense)	Net of tax	Before tax	(expense)	Net of tax	
	benefit	amount	amount	benefit	amount	
	amount	amount	amount	amount	amount	
Gains (losses) on valuation in available-for-sale investments	(48,555)	9,711	(38,844)	37,586	(7,517)	30,069
Actuarial gains	-	-	-	1,871	(771)	1,100
	<u>(48,555)</u>	<u>9,711</u>	<u>(38,844)</u>	<u>39,457</u>	<u>(8,288)</u>	<u>31,169</u>

(Unit: Thousand Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
2019			2018			
	Tax			Tax		
	(expense)	Net of tax	Before tax	(expense)	Net of tax	
	benefit	amount	amount	benefit	amount	
	amount	amount	amount	amount	amount	
Gains (losses) on valuation in available-for-sale investments	42,323	(8,465)	33,858	(126,806)	23,817	(102,989)
Actuarial losses	(178,686)	35,610	(143,076)	(18,575)	2,945	(15,630)
	<u>(136,363)</u>	<u>27,145</u>	<u>(109,218)</u>	<u>(145,381)</u>	<u>26,762</u>	<u>(118,619)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 September						
2019			2018			
	Tax			Tax		
	(expense)	Net of tax	Before tax	(expense)	Net of tax	
	benefit	amount	amount	benefit	amount	
	amount	amount	amount	amount	amount	
Losses on valuation in available-for-sale investments	(16,543)	3,309	(13,234)	(3,290)	658	(2,632)
	<u>(16,543)</u>	<u>3,309</u>	<u>(13,234)</u>	<u>(3,290)</u>	<u>658</u>	<u>(2,632)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2019			2018		
	Tax			Tax		
	Before tax	(expense)	Net of tax	Before tax	(expense)	Net of tax
	amount	benefit	amount	amount	benefit	amount
Gains (losses) on valuation in						
available-for-sale investments	62,269	(12,454)	49,815	(45,736)	9,147	(36,589)
Actuarial losses	(10,365)	2,073	(8,292)	(8,386)	1,677	(6,709)
	51,904	(10,381)	41,523	(54,122)	10,824	(43,298)

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			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Profit for the period from continuing operations (Thousand Baht)	1,877,741	1,604,129	5,405,492	5,161,793
Basic earnings per share from continuing operations (Baht/share)	2.35	2.00	6.75	6.45
Loss for the period from discontinued operations (Thousand Baht)	-	210,727	-	128,306
Basic loss per share from discontinued operations (Baht/share)	-	0.27	-	0.16
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2019	2018	2019	2018
Profit for the period from continuing operations (Thousand Baht)	87,552	75,386	266,468	286,987
Basic earnings per share from continuing operations (Baht/share)	0.11	0.09	0.33	0.36
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
TISCO Investment Advisory Securities Co., Ltd. (Previously known as "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

(Unaudited but reviewed)

As at 30 September 2019 and 31 December 2018, the balances of accounts between the Company and its related companies are as follows:

(Unit: Thousand Baht)

	As at	
	30 September 2019	31 December 2018
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (Assets):		
TISCO Bank Public Company Limited	355,987	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	125,384	123,647
TISCO Learning Center Co., Ltd.	2,767	705
Other liabilities:		
TISCO Learning Center Co., Ltd.	1,027	971

Loans to related companies

As at 30 September 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			As at
	1 January 2019	Increase	Decrease	30 September 2019
Subsidiary companies				
Loans				
Hi-Way Co., Ltd.	2,075,000	510,000	(260,000)	2,325,000

(Unaudited but reviewed)

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.

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policies
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2019	2018	2019	2018	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	538,156	539,007	1,666,081	1,625,180	Determined on market prices and/or actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	14,021	17,771	44,339	53,436	With reference to the terms and prices as offered to other customers
Rental income	20,089	17,593	60,603	52,751	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	73,000	49,750	219,000	149,250	Determined on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	2,746	3,553	6,942	7,822	With reference to the prices as offered from other service providers
Other expenses	435	240	1,450	1,788	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	
	30 September 2019	31 December 2018
Loans ⁽¹⁾	23,747	17,581

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2019	31 December 2018
Deposits	240,016	383,693

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Short-term benefits	190	155	360	309
Post-employment benefits	16	13	46	39
Total	206	168	406	348

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2019	2018	2019	2018
Short-term benefits	122	95	212	174
Post-employment benefits	8	7	23	19
Total	130	102	235	193

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 and nine-month periods ended 30 September 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
For the three-month period ended 30 September 2019							
Revenue							
External customers	4,198	227	351	(13)	4,763	-	4,763
Inter-segment	177	29	(6)	804	1,004	(1,004)	-
Total revenue	4,375	256	345	791	5,767	(1,004)	4,763
Operating results:							
Net interest income	3,113	8	2	(12)	3,111	-	3,111
Net fee and service income	1,138	237	342	249	1,966	(475)	1,491
Other operating income	124	11	1	554	690	(529)	161
Total operating income	4,375	256	345	791	5,767	(1,004)	4,763
Premises and equipment expenses and amortisation	(395)	(21)	(8)	(199)	(623)	249	(374)
Other operating expenses	(1,895)	(206)	(161)	(450)	(2,712)	783	(1,929)
Bad debts, doubtful accounts and impairment losses	(125)	-	-	-	(125)	-	(125)
Total operating expenses	(2,415)	(227)	(169)	(649)	(3,460)	1,032	(2,428)
Segment profit from continuing operations before income tax expenses	1,960	29	176	142	2,307	28	2,335
Income tax expenses							(459)
Profit from continuing operations							1,876
Profit from discontinued operations							-
Non-controlling interests of the subsidiaries							2
Profit for the period - equity holders of the Company							1,878

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the nine-month period ended 30 September 2019							
Revenue							
External customers	12,480	612	1,037	(130)	13,999	-	13,999
Inter-segment	443	186	(29)	2,537	3,137	(3,137)	-
Total revenue	12,923	798	1,008	2,407	17,136	(3,137)	13,999
Operating results:							
Net interest income	9,304	21	4	(9)	9,320	-	9,320
Net fee and service income	3,249	718	999	736	5,702	(1,364)	4,338
Other operating income	370	59	5	1,680	2,114	(1,773)	341
Total operating income	12,923	798	1,008	2,407	17,136	(3,137)	13,999
Premises and equipment expenses and amortisation	(1,169)	(62)	(21)	(589)	(1,841)	747	(1,094)
Other operating expenses	(5,542)	(697)	(487)	(1,427)	(8,153)	2,355	(5,798)
Bad debts, doubtful accounts and impairment losses	(370)	-	-	-	(370)	(1)	(371)
Total operating expenses	(7,081)	(759)	(508)	(2,016)	(10,364)	3,101	(7,263)
Segment profit from continuing operations before income tax expenses	5,842	39	500	391	6,772	(36)	6,736
Income tax expenses							(1,328)
Profit from continuing operations							5,408
Profit from discontinued operations							-
Non-controlling interests of the subsidiaries							(3)
Profit for the period - equity holders of the Company							5,405

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the three-month period ended 30 September 2018							
Revenue							
External customers	4,392	204	403	(27)	4,972	-	4,972
Inter-segment	91	67	-	738	896	(896)	-
Total revenue	4,483	271	403	711	5,868	(896)	4,972
Operating results:							
Net interest income	3,119	4	2	(9)	3,116	(6)	3,110
Net fee and service income	987	263	398	180	1,828	(354)	1,474
Other operating income	377	4	3	540	924	(536)	388
Total operating income	4,483	271	403	711	5,868	(896)	4,972
Premises and equipment expenses and amortisation	(332)	(22)	(6)	(156)	(516)	171	(345)
Other operating expenses	(1,763)	(228)	(150)	(432)	(2,573)	737	(1,836)
Bad debts, doubtful accounts and impairment losses	(788)	-	-	-	(788)	-	(788)
Total operating expenses	(2,883)	(250)	(156)	(588)	(3,877)	908	(2,969)
Segment profit from continuing operations before income tax expenses							
	1,600	21	247	123	1,991	12	2,003
Income tax expenses							(392)
Profit from continuing operations							1,611
Profit from discontinued operations							211
Non-controlling interests of the subsidiaries							(7)
Profit for the period - equity holders of the Company							1,815

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the nine-month period ended 30 September 2018							
Revenue							
External customers	13,212	786	1,152	112	15,262	-	15,262
Inter-segment	258	236	-	2,068	2,562	(2,562)	-
Total revenue	13,470	1,022	1,152	2,180	17,824	(2,562)	15,262
Operating results:							
Net interest income	9,548	11	6	(8)	9,557	(21)	9,536
Net fee and service income	3,023	930	1,142	514	5,609	(1,035)	4,574
Other operating income	899	81	4	1,674	2,658	(1,506)	1,152
Total operating income	13,470	1,022	1,152	2,180	17,824	(2,562)	15,262
Premises and equipment expenses and amortisation	(983)	(65)	(27)	(460)	(1,535)	513	(1,022)
Other operating expenses	(5,328)	(704)	(420)	(1,315)	(7,767)	2,183	(5,584)
Bad debts, doubtful accounts and impairment losses	(2,237)	-	-	-	(2,237)	-	(2,237)
Total operating expenses	(8,548)	(769)	(447)	(1,775)	(11,539)	2,696	(8,843)
Segment profit from continuing operations before income tax expenses							
	4,922	253	705	405	6,285	134	6,419
Income tax expenses							(1,230)
Profit from continuing operations							5,189
Profit from discontinued operations							128
Non-controlling interests of the subsidiaries							(27)
Profit for the period - equity holders of the Company							5,290

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 and nine-month periods ended 30 September 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	
	30 September 2019	31 December 2018
Other guarantees	486,181	753,963
Undrawn client overdraft facilities	113,072	351,660
Interest rate swap agreements	-	1,200,000
Foreign exchange contracts	930,361	717,751
Others	230,027	517,961
Total	<u>1,759,641</u>	<u>3,541,335</u>

4.28.2 Litigation

As at 30 September 2019 and 31 December 2018, the subsidiaries have been sued for compensation totaling approximately Baht 324 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 30 September 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	
	30 September 2019	31 December 2018
Payable within		
Not over 1 year	208	192
Over 1 to 5 years	226	281
Over 5 years	48	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 their 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 30 September 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 30 September 2019				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	272	272	-	-	272
Debt securities	6,600	-	6,600	-	6,600
Unit trusts	854	794	60	-	854
Financial liabilities measured at fair value					
Derivatives					
Foreign exchange contracts	5	-	5	-	5

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2018				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
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
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	11	-	11	-	11

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				
	As at 30 September 2019				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	794	794	-	-	794

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2018				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
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 securities 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 as announced by the 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. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend payment
		Preference	Ordinary	dividend paid	period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividends for 2017	The 2018 Annual General Meeting of the Shareholders on 23 April 2018	5.00	5.00	4,003	May 2018
Total dividend payment in year 2018				4,003	
Annual dividends for 2018	The 2019 Annual General Meeting of the Shareholders on 22 April 2019	7.00	7.00	5,604	May 2019
Total dividend payment in year 2019				5,604	

6. Significant events during the period

6.1 Increase/decrease in registered share capital of subsidiary company

- A resolution passed by the 2019 Annual General Meeting of the Shareholders of Hi-Way Co., Ltd. (a subsidiary company) held on 19 April 2019 approved an increase of Baht 500 million in its registered share capital, from Baht 100 million to Baht 600 million, by issuing 5,000,000 new ordinary shares, causing the number of ordinary shares to increase from 1,000,000 shares to 6,000,000 shares of Baht 100 each. The shares are to be 100% paid up. On 30 May 2019, the subsidiary company registered the increase in its registered share capital with the Ministry of Commerce.
- A resolution passed by the 2019 Annual General Meeting of the Shareholders of All-Ways Co., Ltd. (a subsidiary company) held on 19 April 2019 approved a decrease of Baht 500 million in its registered share capital, from Baht 700 million to Baht 200 million, by canceling 5,000,000 ordinary shares. As a result, the number of ordinary shares decreased from 7,000,000 shares to 2,000,000 shares of Baht 100 each. On 27 May 2019, the subsidiary company registered the decrease in its registered share capital with the Ministry of Commerce.

6.2 Termination of Joint Venture Agreement, purchase of investment and change of subsidiary company's name

- On 4 September 2019, the Company and TISCO Securities Co., Ltd. (TISCO Securities), which is a subsidiary of TISCO Group, signed an agreement to terminate the joint venture agreement of "Deutsche TISCO Investment Advisory Co., Ltd.", a joint venture between TISCO Securities and Deutsche Bank group that operated under an investment advisory license in Thailand. The agreement was effective from 9 September 2019. Subsequent to the termination, TISCO Securities will continue to provide securities brokerage services and equity research services as usual.
- On 9 September 2019, TISCO Securities Co., Ltd. (a subsidiary company) purchased a 49% stake in Deutsche TISCO Investment Advisory from the other shareholder, and has already paid the Baht 88 million purchase price of this investment. Therefore, the subsidiary company holds 99% of equity of Deutsche TISCO Investment Advisory Co., Ltd.
- A resolution passed by the Extraordinary General Meeting of the Shareholders of Deutsche TISCO Investment Advisory Co., Ltd. No. 2/2019, on 20 September 2019, approved the change in that company's name and approved the amendment of item No.1 in the memorandum of association, to state that the company's name is "TISCO Investment Advisory Securities Co., Ltd.". On 23 September 2019, the subsidiary company registered the amendment of its memorandum of association with the Ministry of Commerce.

7. Event after the reporting period

Decrease in registered share capital of subsidiary company

A resolution passed by the Extraordinary General Meeting No. 3/2019 of the Shareholders of TISCO Investment Advisory Securities Co., Ltd. (a subsidiary company), on 17 October 2019, approved a decrease of Baht 75 million in its registered share capital, from Baht 100 million to Baht 25 million, by canceling 7,500,000 ordinary shares. As a result, the number of ordinary shares decreased from 10,000,000 shares to 2,500,000 shares of Baht 10 each.

8. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 8 November 2019.