

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month period ended
31 March 2014

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 31 March 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



Ratana Jala
Certified Public Accountant (Thailand) No. 3734

EY Office Limited
Bangkok: 7 May 2014

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	1,087,402	1,131,004	70	70
Interbank and money market items - net	29,553,752	53,241,962	2,001,274	510,072
Derivative assets	3.2 12,506	32,857	-	-
Investments - net	3.3, 3.7 16,354,399	11,489,596	737,099	763,957
Investment in subsidiaries - net	3.4 -	-	16,923,874	16,923,874
Loans to customers and accrued interest receivables	3.5, 3.7			
Loans to customers	311,897,336	320,767,368	3,714,500	3,986,000
Accrued interest receivables	407,493	535,851	-	-
Total loans to customers and accrued interest receivables	312,304,829	321,303,219	3,714,500	3,986,000
Less: Deferred revenue	(27,241,890)	(28,616,716)	-	-
Less: Allowance for doubtful accounts	3.6 (6,482,376)	(6,354,337)	-	-
Loans to customers and accrued interest receivables - net	278,580,563	286,332,166	3,714,500	3,986,000
Property foreclosed - net	151,136	124,757	-	-
Investment properties	16,856	16,856	783,170	783,170
Premises and equipment - net	2,485,210	2,511,745	621,640	629,039
Intangible assets - net	303,454	111,964	95,065	56,952
Deferred tax assets	250,771	245,383	111,746	108,845
Securities and derivatives business receivables	1,058,969	1,546,662	-	-
Dividend receivable from subsidiaries	-	-	801,996	1,457,244
Other assets	3.8 2,944,557	2,477,567	190,490	155,560
Total assets	332,799,575	359,262,519	25,980,924	25,374,783

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	227,611,215	264,640,753	-	-
Interbank and money market items - net		16,418,866	16,702,692	-	-
Liability payable on demand		397,877	344,864	-	-
Derivative liabilities	3.2	3,890	315,668	-	-
Debts issued and borrowings	3.10	54,626,219	44,083,619	6,556,600	6,128,000
Provision for long-term employee benefits	3.11	339,993	334,539	72,796	71,836
Deferred tax liabilities		84,138	159,797	-	-
Securities and derivatives business payables		1,648,184	1,511,017	-	-
Accrued interest payable		1,828,319	1,710,574	25,990	36,756
Income tax payable		733,405	470,457	81,213	73,364
Other liabilities	3.12	4,906,897	5,770,481	1,137,288	1,021,863
Total liabilities		308,599,003	336,044,461	7,873,887	7,331,819

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

TISCO Financial Group Public Company Limited and its subsidiaries

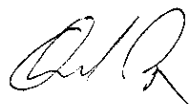
Statement of financial position (continued)

As at 31 March 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Shareholders' 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				
33,858 preference shares of Baht 10 each	339	339	339	339
800,621,625 ordinary shares of Baht 10 each	8,006,216	8,006,216	8,006,216	8,006,216
	<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	-	-	298	298
Share premium on ordinary shares	1,018,408	1,018,408	7,031,225	7,031,225
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of shareholders' equity	1,591,221	1,570,190	144,070	158,104
Retained earnings				
Appropriated-statutory reserve	496,200	496,200	496,200	496,200
Unappropriated	12,832,758	11,895,567	2,428,689	2,350,582
Equity attributable to owners of the Company	<u>23,945,142</u>	<u>22,986,920</u>	<u>18,107,037</u>	<u>18,042,964</u>
Non-controlling interests of the subsidiaries	255,430	231,138	-	-
Total shareholders' equity	<u>24,200,572</u>	<u>23,218,058</u>	<u>18,107,037</u>	<u>18,042,964</u>
Total liabilities and shareholders' equity	<u>332,799,575</u>	<u>359,262,519</u>	<u>25,980,924</u>	<u>25,374,783</u>

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



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



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

Handwritten mark

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2014**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
					(Restated)
Interest income	3.14	4,998,272	4,466,965	37,132	42,012
Interest expenses	3.15	(2,692,422)	(2,363,617)	(46,771)	(51,007)
Net interest income		2,305,850	2,103,348	(9,639)	(8,995)
Fee and service income		1,283,721	1,639,192	-	-
Fee and service expenses		(48,484)	(66,305)	(2,581)	(2,287)
Net fee and service income	3.16	1,235,237	1,572,887	(2,581)	(2,287)
Net gains (losses) on trading and foreign exchange transactions	3.17	7,551	(35,408)	(9,784)	(34,857)
Net gains on investments	3.18	5,341	166,077	-	-
Dividend income		33,505	34,265	-	2,205
Penalty fee income from loans		89,348	66,389	-	-
Income from business promotion relating to the hire purchase business		87,251	334,594	-	-
Intercompany supporting fee income	3.26	-	-	380,217	431,467
Other operating income	3.20, 3.26	19,307	13,060	16,721	16,690
Total operating income		3,783,390	4,255,212	374,934	404,223
Expenses from business promotion relating to the hire purchase business		108,151	390,527	-	-
Total net operating income		3,675,239	3,864,685	374,934	404,223
Operating expenses					
Employee's expenses		817,907	996,704	165,161	229,800
Directors' remuneration		3,035	3,310	3,035	3,070
Premises and equipment expenses		221,490	228,645	83,586	83,521
Taxes and duties		54,303	49,115	2	4
Other operating expenses	3.21	208,717	170,871	25,206	11,836
Total operating expenses		1,305,452	1,448,645	276,990	328,231
Bad debt, doubtful accounts and impairment losses	3.19	1,175,759	940,091	-	-
Profit from operating before income tax expenses		1,194,028	1,475,949	97,944	75,992
Income tax expenses	3.22	237,186	284,427	20,212	14,231
Profit for the period		956,842	1,191,522	77,732	61,761

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 31 March 2014**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
					(Restated)
Other comprehensive income	3.23				
Losses arising from translating the financial statements of a foreign operation		-	(1,953)	-	-
Gains (losses) on valuation in available-for-sale investments		26,241	(61,998)	(17,074)	(34,756)
Cash flow hedges		6,473	25,002	-	-
Income tax effect	3.24	(6,543)	2,417	3,415	6,951
Other comprehensive income for the period		<u>26,171</u>	<u>(36,532)</u>	<u>(13,659)</u>	<u>(27,805)</u>
Total comprehensive income for the period		<u>983,013</u>	<u>1,154,990</u>	<u>64,073</u>	<u>33,956</u>
Profit attributable to					
Equity holders of the Company	3.25	934,692	1,153,503	<u>77,732</u>	<u>61,761</u>
Non-controlling interests of the subsidiaries		<u>22,150</u>	<u>38,019</u>		
		<u>956,842</u>	<u>1,191,522</u>		
Total comprehensive income attributable to					
Equity holders of the Company		958,222	1,106,770	<u>64,073</u>	<u>33,956</u>
Non-controlling interests of the subsidiaries		<u>24,791</u>	<u>48,220</u>		
		<u>983,013</u>	<u>1,154,990</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	<u>1.17</u>	<u>1.58</u>	<u>0.10</u>	<u>0.08</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 flows statement****For the three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013 (Restated)
Cash flows from operating activities				
Profit before income tax	1,194,028	1,475,949	97,944	75,992
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	63,547	72,472	18,680	20,977
Bad debt and doubtful accounts	1,422,341	1,156,493	-	-
Allowance for impairment of investments (reversal)	(181)	93	-	-
Allowance for impairment of property foreclosed	129	72	-	-
Gain on disposal of investments in securities	(5,138)	(166,077)	-	-
Unrealised loss on trading derivatives and foreign exchange transactions	32,056	37,492	9,784	34,857
Gain on disposal of equipment	(20)	(638)	-	-
Loss on written - off of equipment and intangible assets	-	16,922	-	25
Unrealised loss from trading securities	-	3	-	-
(Gain) loss on disposal of property foreclosed	(8,609)	10,697	-	-
Employee benefit expenses	10,941	10,298	1,912	1,723
(Increase) decrease in accrued income	(1,463)	35,758	(26,736)	(10,256)
Increase (decrease) in accrued expenses	(17,531)	(65,579)	144,762	113,918
Net interest income	(2,305,850)	(2,103,348)	9,639	8,995
Dividend income	(33,505)	(34,265)	-	(2,205)
Cash received on interest income	5,101,131	4,417,497	36,959	41,131
Cash paid on interest expenses	(2,232,624)	(2,188,474)	(57,537)	(36,651)
Cash received on dividend income	28,855	26,365	655,248	1,237,655
Cash paid on income tax expenses	(58,327)	(76,737)	(11,849)	(13,696)
Profit from operating activities before changes in operating assets and liabilities	3,189,780	2,624,993	878,806	1,472,465
Operating assets (increase) decrease				
Interbank and money market items	23,693,224	(10,403,072)	(1,491,202)	(558,404)
Loans to customers	5,100,029	(19,870,405)	271,500	(780,000)
Securities and derivative business receivables	487,693	(986,483)	-	-
Receivables from clearing house	(444,140)	135,983	-	-
Properties foreclosed	766,880	877,314	-	-
Other assets	-45,377	498,712	(8,022)	(12,170)
Operating liabilities increase (decrease)				
Deposits	(37,029,538)	29,091,103	-	-
Interbank and money market items	(277,590)	2,152,330	-	(200,000)
Liability payable on demand	53,013	149,812	-	-
Securities and derivative business payables	137,167	659,206	-	-
Short-term debts issued and borrowings	8,142,600	(635,366)	428,600	84,173
Payable to clearing house	(180,185)	133,405	-	-
Provision for long-term employee benefit	(5,487)	-	(952)	-
Other liabilities	(957,098)	531,445	(29,337)	(658)
Net cash flows from operating activities	2,630,971	4,958,977	49,393	5,406

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flows statement (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(9,455,402)	(2,694,795)	-	-
Cash received from disposal of investment in securities held for investment	4,611,862	3,073,891	-	-
Cash paid for purchase of equipment	(32,924)	(44,151)	(4,652)	(1,283)
Cash paid for purchase of intangible assets	(198,129)	(6,158)	(44,741)	(3,103)
Cash received from disposal of equipment	20	8,781	-	-
Cash paid for acquisition of a subsidiaries	-	-	-	(1,000)
Net cash flows from (used in) investing activities	(5,074,573)	337,568	(49,393)	(5,386)
Cash flows from financing activities				
Long-term debts issued and borrowings	-	(2,000)	-	-
Cash received from issuance of long-term debentures	2,400,000	-	-	-
Cash paid for redemption of long-term debentures	-	(5,324,300)	-	-
Net cash flows from (used in) financing activities	2,400,000	(5,326,300)	-	-
Exchange differences on translation of financial statements	-	(1,953)	-	-
Net increase (decrease) in cash	(43,602)	(31,708)	-	20
Cash at beginning of the period	1,131,004	1,046,330	70	-
Cash at end of the period	1,087,402	1,014,622	70	20
	-	-	-	-

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Other components of shareholders' equity														
	Issued and paid-up		Share premium on ordinary shares	Surplus (deficit) on valuation in available-for-sale investments	Surplus on revaluation of assets	Cash flow hedges	Exchange differences on translation of financial statements in foreign currency	Adjustment from business combination of entities under common control under holding restructuring plan	Total other components of shareholders' equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
	Preference shares	Ordinary shares								Appropriated	Unappropriated			
Balance as at 1 January 2013	339	7,278,782	-	278,407	-	907	81,795	679,266	1,040,375	405,200	9,471,665	18,196,361	183,889	18,380,250
Total comprehensive income for the period	-	-	-	(54,581)	-	9,801	(1,953)	-	(46,733)	-	1,153,503	1,106,770	48,220	1,154,990
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(4,319)	(4,319)
Balance as at 31 March 2013	<u>339</u>	<u>7,278,782</u>	<u>-</u>	<u>223,826</u>	<u>-</u>	<u>10,708</u>	<u>79,842</u>	<u>679,266</u>	<u>993,642</u>	<u>405,200</u>	<u>10,625,168</u>	<u>19,303,131</u>	<u>227,790</u>	<u>19,530,921</u>
Balance as at 1 January 2014	339	8,006,216	1,018,408	(42,028)	940,899	(7,947)	-	679,266	1,570,190	496,200	11,895,567	22,986,920	231,138	23,218,058
Total comprehensive income for the period	-	-	-	20,992	-	2,538	-	-	23,530	-	934,692	958,222	24,791	983,013
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,499)	-	-	-	(2,499)	-	2,499	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(499)	(499)
Balance as at 31 March 2014	<u>339</u>	<u>8,006,216</u>	<u>1,018,408</u>	<u>(21,036)</u>	<u>938,400</u>	<u>(5,409)</u>	<u>-</u>	<u>679,266</u>	<u>1,591,221</u>	<u>496,200</u>	<u>12,832,758</u>	<u>23,945,142</u>	<u>255,430</u>	<u>24,200,572</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 changes in shareholders' equity (continued)

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Separate financial statements										
					Other components of						
					shareholders' equity						
					Surplus (deficit) on		Total other		Retained earnings		
Note	Issued and paid-up		Share premium		valuation in	Surplus on	components of	Appropriated	Unappropriated	Total	
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	available-for-sale	revaluation of assets	shareholder's equity				
					investments						
Balance as at 1 January 2013		339	7,278,782	298	6,012,817	11,571	-	11,571	405,200	2,032,821	15,741,828
Total comprehensive income											
for the period - restated	1.5	-	-	-	-	(27,805)	-	(27,805)	-	61,761	33,956
Balance as at 31 March 2013		<u>339</u>	<u>7,278,782</u>	<u>298</u>	<u>6,012,817</u>	<u>(16,234)</u>	<u>-</u>	<u>(16,234)</u>	<u>405,200</u>	<u>2,094,582</u>	<u>15,775,784</u>
Balance as at 1 January 2014		339	8,006,216	298	7,031,225	(72,892)	230,996	158,104	496,200	2,350,582	18,042,964
Total comprehensive income for the period		-	-	-	-	(13,659)	-	(13,659)	-	77,732	64,073
Transfer surplus on revaluation of assets to											
retained earnings		-	-	-	-	-	(375)	(375)	-	375	-
Balance as at 31 March 2014		<u>339</u>	<u>8,006,216</u>	<u>298</u>	<u>7,031,225</u>	<u>(86,551)</u>	<u>230,621</u>	<u>144,070</u>	<u>496,200</u>	<u>2,428,689</u>	<u>18,107,037</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2014

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

1.1 Basis of preparation of interim financial statements

The interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in accordance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 11/2553 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 3 December 2010.

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

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

1.2 Basis of consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2013. During the period, there was no change in the composition of the subsidiary.

1.3 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries have assessed the effect of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believe that they will not have any significant impact on the financial statements for the year when they are initially applied, except TSIC 29, TFRIC 1, TFRIC 5, TFRIC 7, TFRIC 12, TFRIC 17 and TFRIC 18, which are not relevant to the business of the Company and its subsidiaries.

(b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries have assessed the effect of this financial reporting standard and believe that TFRS4 is not relevant to the business of the Company and its subsidiaries.

1.4 Change in accounting estimation and recording of depreciation of revalued assets

At the end of 2013, the Company and its subsidiaries changed their accounting policy regarding measurement of premises and equipment as it relates to office condominiums, switching from the previously applied cost model to the revaluation model, and at the same time had the useful lives of office condominiums estimated by an independent professional appraiser. In this regard, effective from 1 January 2014, the Company and its subsidiaries have changed the remaining useful lives of office condominiums from 4-15 years to 20 years, in order to align them with the estimations of useful life of assets made using a prospective method. The effect of the change in the estimated useful lives to the consolidated and separate financial statements for the three-month period ended 31 March 2014 is to increase profit after tax by approximately Baht 8 million and Baht 1 million, respectively, and increase basic earnings per share by Baht 0.01 per share and Baht 0.001 per share, respectively. In addition, in the consolidated and separate financial statements for the year 2014, the change is expected to increase profit after tax by approximately Baht 34 million and Baht 3 million, respectively, and increase basic earnings per share by Baht 0.04 per share and Baht 0.004 per share, respectively.

The effect of the change in the accounting policy of the Company and its subsidiaries regarding measurement of premises and equipment as it relates to office condominiums, from the previously applied cost model to the revaluation model to the consolidated and separate financial statements for the three-month period ended 31 March 2014 was to increase profit after tax by approximately Baht 5 million and increase profit after tax by approximately Baht 0.1 million, respectively, and to decrease basic earnings per share by Baht 0.01 per share and increase basic earnings per share by Baht 0.0001 per share, respectively. The changes were the result of increasing the value of the asset base used for determining depreciation to fair value. In addition, in the consolidated and separate financial statements for the year 2014, the change is expected to decrease by approximately Baht 22 million and increase by approximately Baht 1 million and decrease basic earnings per share by Baht 0.03 per share and increase basic earnings per share by Baht 0.001 per share, respectively.

The net effect of the changes from the previously applied cost model to the revaluation model and in the estimation of useful lives to the consolidated and separate financial statements for the three-month period ended 31 March 2014 is to increase profit after tax by approximately Baht 3 million and Baht 0.5 million, respectively, and increase basic earnings per share by Baht 0.004 per share and Baht 0.001 per share, respectively. In addition, in the consolidated and separate financial statements for the year 2014, the change is expected to increase profit after tax by approximately Baht 12 million and Baht 3 million and increase basic earnings per share by Baht 0.01 per share and Baht 0.004 per share, respectively.

1.5 Effect of change in accounting policy on recording of investment properties from cost model to fair value model

During the year 2013, the Company and its subsidiaries changed their accounting policy regarding measurement of investment properties to accord with Thai Accounting Standard No. 40, switching from the cost model to the fair value model in order to reflect the fair value of the assets.

The amounts of adjustments effecting the statements of comprehensive income are summarised below.

	For the three-month period ended 31 March 2013	
	Consolidated financial statements	Separate financial statements
Statement of comprehensive income		
Profit or loss:		
Decrease in depreciation	-	3,267
Increase in income tax expenses	-	654
Increase in profit for the period	-	2,613
Increase in basic earnings per share (Baht)	-	0.004

The effect of change in accounting policy on the consolidated financial statements for the three-month period ended 31 March 2013 and past years was immaterial. Therefore, the Company and its subsidiaries did not retrospectively adjust the consolidated financial statements for the three-month period ended 31 March 2013.

1.6 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2013.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2014 and 31 December 2013 is provided below.

(Unit: Percent)

Company's name	Nature of Business	Country of incorporation	Percentage of shares held by the Company as at	
			31 March 2014	31 December 2013
<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 Tokyo Leasing Co., Ltd.	Leasing	Thailand	49.00	49.00
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.97	99.97
<u>Subsidiaries indirectly held by the Company</u>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00

3.2 Derivatives

3.2.1 Trading derivatives

The subsidiary company operating banking business entered into interest rate swap agreements and cross currency swap agreements to manage the risk associated with its loan to customers, as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	31 March 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	9,069	-	3,291,170	-	310,945	3,315,434
Interest rate	1,986	-	600,000	28,220	-	2,274,303
Total	11,055	-	3,891,170	28,220	310,945	5,589,737

All counter parties of these derivative transactions are financial institutions.

3.2.2 Hedging derivatives

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

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	31 March 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	1,451	3,890	268,999	4,637	4,723	343,081
Total	1,451	3,890	268,999	4,637	4,723	343,081

All counter parties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by type of investment

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Available-for-sale investments - fair value		
Government and state enterprise securities	10,537,961	5,637,810
Private sector debt securities	918,092	938,819
Domestic marketable equity securities	681,294	658,492
Other securities - domestic unit trusts	27,761	27,604
Other securities - foreign unit trusts	737,099	763,957
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	12,900,747	8,025,222
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	3,000,000	3,000,000
Investment in receivables	23,172	33,872
Less: Allowance for impairment	(17,744)	(17,722)
Total held-to-maturity debt securities	3,005,428	3,016,150
General investments - cost		
Domestic non-marketable equity securities	493,850	494,053
Less: Allowance for impairment	(45,626)	(45,829)
Total general investments	448,224	448,224
Investments - net	16,354,399	11,489,596

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2014	31 December 2013
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	737,099	763,957

3.3.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	31 March 2014				31 December 2013			
	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	9,401	1,121	-	10,522	5,435	203	-	5,638
Private sector debt securities	1	905	-	906	31	907	-	938
Total	9,402	2,026	-	11,428	5,466	1,110	-	6,576
Add: Allowance for changes in value	6	22	-	28	-	-	-	-
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	9,407	2,048	-	11,455	5,465	1,110	-	6,575
Held-to-maturity debt securities								
Government and state enterprise securities	-	3,000	-	3,000	-	3,000	-	3,000
Investment in receivables	22	1	-	23	32	2	-	34
Less: Allowance for impairment	(18)	-	-	(18)	(18)	-	-	(18)
Total	4	3,001	-	3,005	14	3,002	-	3,016
Total debt securities	9,411	5,049	-	14,460	5,479	4,112	-	9,591

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restriction
	31 March 2014	31 December 2013	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	-	1,758	Pledged for the use of credit balance on clearing position

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 March 2014		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
Companies having problems with debt repayment or in default	7,060	-	7,060

⁽¹⁾ Allowance for changes in value of investment is calculated at cost less collateral value.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2013		
	Cost	Fair value	Allowance for changes in value ⁽¹⁾
Companies having problems with debt repayment or in default	7,060	-	7,060

⁽¹⁾ Allowance for changes in value of investment is calculated at cost less collateral value.

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	31 March 2014			31 December 2013		
	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
K Line (Thailand) Ltd.	37,335	-	10	37,335	-	10
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	5,707	-	10	5,707	-	10
PDTL Trading Co., Ltd.	6,925	-	10	6,925	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	4,647	-	10	4,647	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,083	-	10	17,083	-	10

3.4 Investments in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of investment as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the three-month periods ended	
		31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March	
				(%)	(%)			2014	2013
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	15,195	15,195	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase and retail loan	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
TISCO Tokyo Leasing Co., Ltd.	Leasing	Ordinary shares	Ordinary shares	49.00	49.00	73	73	-	2
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	99.97	99.97	1	1	-	-
						17,033	17,033	-	2
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						16,924	16,924		

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Loans to customers		
Loans	78,138,573	80,719,897
Hire purchase receivables	226,605,309	232,863,826
Financial lease receivables	7,963,839	7,996,365
Less: Deferred revenue	(27,241,890)	(28,616,716)
Advances received from financial lease receivables	(810,385)	(812,720)
Total loans to customers	284,655,446	292,150,652
Add: Accrued interest receivables	407,493	535,851
Less: Allowance for doubtful accounts	(6,482,376)	(6,354,337)
Loans to customers and accrued interest receivables - net	278,580,563	286,332,166

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2014	31 December 2013
Loans to customers		
Loans	3,714,500	3,986,000
Loans to customers and accrued interest receivables - net	3,714,500	3,986,000

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	31 March 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	281,411,126	-	281,411,126	288,869,292	-	288,869,292
US Dollars	-	3,244,320	3,244,320	-	3,281,360	3,281,360
Total loans to customers net of deferred revenue	281,411,126	3,244,320	284,655,446	288,869,292	3,281,360	292,150,652

(Unit: Thousand Baht)

	Separate financial statements as at					
	31 March 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	3,714,500	-	3,714,500	3,986,000	-	3,986,000
Total loans to customers net of deferred revenue	3,714,500	-	3,714,500	3,986,000	-	3,986,000

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

(Unit: Million Baht)

	As at					
	31 March 2014			31 December 2013		
	Net amount			Net amount		
Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	
Provision under BOT's guideline						
- Pass	252,742	228,322	3,260	259,595	235,950	3,259
- Special mention	16,610	16,367	1,043	17,466	17,189	1,121
- Sub-standard	3,159	3,146	973	3,086	3,083	944
- Doubtful	1,268	1,261	357	996	988	279
- Doubtful of loss	176	110	62	176	107	63
Allowance established in excess	-	-	225	-	-	109
Total	273,955	249,206	5,920	281,319	257,317	5,775

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

⁽²⁾ As at 31 March 2014, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor 31/2551 minimum requirement by a total of Baht 2,617 million (As at 31 December 2013: total of Baht 2,345 million). TISCO Bank allocated Baht 2,398 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2013: total of Baht 2,236 million) and so combined with the minimum provision requirement of Baht 3,297 million (As at 31 December 2013: total of Baht 3,430 million), the total provision set aside in accordance with BOT requirements is Baht 5,695 million (As at 31 December 2013: total of Baht 5,666 million).

	Percentage of allowance for doubtful accounts set up			
	Hire purchase receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Pass	0.57	0.58	1	1
Special mention	4.57	4.67	2	2
Sub-standard	22.61	22.95	100	100
Doubtful	22.72	23.13	100	100
Doubtful of loss	22.12	22.75	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 an individual debtor.

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

3.5.4 Hire purchase and financial lease receivables

As at 31 March 2014, receivables of the subsidiary companies under hire purchase and financial lease agreements amount to Baht 206,735 million (31 December 2013: Baht 211,656 million) and mostly comprise hire purchase agreements for cars, and financial lease agreements for cars, machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statement as at 31 March 2014					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	70,849	150,851	6,177	6,692	234,569
Less: Deferred revenue*	(10,624)	(14,315)	(175)	(1,910)	(27,024)
Advances received from financial lease receivables	(80)	(729)	-	(1)	(810)
Present value of minimum lease pay from agreements	60,145	135,807	6,002	4,781	206,735
Allowance for doubtful accounts**					(3,126)
Net hire purchase and financial lease receivables					203,609

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

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

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2013					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	71,354	155,991	7,216	6,300	240,861
Less: Deferred revenue*	(11,012)	(15,307)	(225)	(1,848)	(28,392)
Advances received from financial lease receivables	(93)	(719)	-	(1)	(813)
Present value of minimum lease pay from agreements	60,249	139,965	6,991	4,451	211,656
Allowance for doubtful accounts**					(3,204)
Net hire purchase and financial lease receivables					208,452

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

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

(Unaudited but reviewed)

3.5.5 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⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	5,922	5,328	9,996	5,328

⁽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	
	31 March 2014	31 December 2013
Hire purchase receivables, financial lease receivables and other loans and receivables for which the recognition of interest income has been ceased	804	752

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

(Unit: Million Baht)

	Consolidated financial statements	
	as at	
	31 March 2014	31 December 2013
Deferred revenue ⁽¹⁾	27,242	28,617

⁽¹⁾ These amounts included deferred revenue of hire purchase and financial lease contracts which is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the three-month periods	
	ended 31 March	
	2014	2013
Debtors restructured during the period		
Number of debtors restructured by modification of terms		
(number)	152	28
Loan balances before restructuring (Million Baht)	196	10
Loan balances after restructuring (Million Baht)	196	10
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	4	4
Mortgage loan receivables	-	1
Corporate loan receivables	-	-

Supplemental information for the three-month periods ended 31 March 2014 and 2013 relating to the restructured debts is as follows:

	(Unit: Million Baht)	
	For the three-month periods	
	ended 31 March	
	2014	2013
Interest income on restructured receivables	6	11
Receipt of principal and interest	58	62

As at 31 March 2014 and 31 December 2013, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

	(Unit: Million Baht)			
	As at			
	31 March 2014		31 December 2013	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,156	828	1,099	665

3.6 Allowance for doubtful accounts

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statement as at 31 March 2014							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	3,431,699	1,250,788	1,086,758	377,493	98,648	108,951	6,354,337
Increase (decrease) in allowance for doubtful accounts during the period	(18,847)	(84,060)	334,979	1,016,657	52,198	116,414	1,417,341
Bad debt written-off	(680)	(7,417)	(305,583)	(934,813)	(40,809)	-	(1,289,302)
Balance - end of period	<u>3,412,172</u>	<u>1,159,311</u>	<u>1,116,154</u>	<u>459,337</u>	<u>110,037</u>	<u>225,365</u>	<u>6,482,376</u>

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2013							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	2,948,779	1,112,046	631,044	177,401	248,808	3,440	5,121,518
Increase in allowance for doubtful accounts during the year	484,378	175,311	1,191,378	2,806,117	246,149	105,511	5,008,844
Bad debt written-off	(1,458)	(36,569)	(735,664)	(2,606,025)	(396,309)	-	(3,776,025)
Balance - end of year	<u>3,431,699</u>	<u>1,250,788</u>	<u>1,086,758</u>	<u>377,493</u>	<u>98,648</u>	<u>108,951</u>	<u>6,354,337</u>

3.6.2 Allowance for doubtful accounts - classified by loan loss provisioning method

(Unit: Thousand Baht)

Consolidated financial statement as at 31 March 2014				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	3,081,581	3,163,805	108,951	6,354,337
Increase in allowance for doubtful accounts during the period	209,628	1,091,299	116,414	1,417,341
Bad debt written-off	(127,868)	(1,161,434)	-	(1,289,302)
Balance - end of period	<u>3,163,341</u>	<u>3,093,670</u>	<u>225,365</u>	<u>6,482,376</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2013

	Individual impairment	Collective impairment	Allowance	Total
			established in excess	
Balance - beginning of year	2,255,585	2,862,493	3,440	5,121,518
Increase in allowance for doubtful accounts				
during the year	1,319,471	3,583,862	105,511	5,008,844
Bad debt written-off	(493,474)	(3,282,551)	-	(3,776,025)
Balance - end of year	3,081,582	3,163,804	108,951	6,354,337

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

(Unit: Million Baht)

	As at	
	31 March 2014	31 December 2013
Non-performing loans to customers	4,604	4,258
Allowance for doubtful accounts	1,392	1,285

3.7 Classification of assets

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

(Unit: Million Baht)

	Cost		Fair value		Allowance for possible loss provided in the accounts ⁽¹⁾	
	as at		as at		as at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

⁽¹⁾ Allowance for possible loss is determined based on the investment cost less collateral value.⁽²⁾ Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.⁽³⁾ Investments in securities of companies which are vulnerable to delisting, of companies whose the auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

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

As at 31 March 2014 and 31 December 2013, the quality of assets of a subsidiary company operating banking business classified in accordance with the Bank of Thailand's guidelines is as follows:

	(Unit: Million Baht)									
	Loans to customers ⁽¹⁾		Investments in securities		Investments in receivables		Property foreclosed		Total	
	as at		as at		as at		as at		as at	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Pass	278,666	307,922	-	-	-	-	-	-	278,666	307,922
Special mention	16,411	17,246	-	-	-	-	-	-	16,411	17,246
Sub-standard	3,159	3,086	-	-	-	-	-	-	3,159	3,086
Doubtful	1,268	996	-	-	-	-	-	-	1,268	996
Doubtful of loss	176	176	47	47	18	18	18	18	259	259
Total	299,680	329,426	47	47	18	18	18	18	299,763	329,509

⁽¹⁾ Loans to customers included investment in debt securities under resale agreements of other commercial banks and loan to financial institutions (which are presented as part of interbank and money market items - asset in the statements of financial position).

3.7.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which a subsidiary company operating banking business sets aside provision using a collective approach

	(Unit: Million Baht)							
	Debt balance		Net amount used for setting the allowance for doubtful accounts ⁽¹⁾		Percentage of allowance for doubtful account setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2014	2013	2014	2013	2014	2013	2014	2013
					(%)	(%)		
Pass	176,473	180,736	176,473	180,736	0.57	0.58	1,000	1,049
Special mention	14,921	15,660	14,921	15,660	4.57	4.67	682	732
Sub-standard	2,809	2,777	2,809	2,777	22.61	22.95	635	637
Doubtful	1,169	922	1,169	922	22.72	23.13	266	213
Doubtful of loss	72	69	72	69	22.12	22.75	16	16
Total	195,444	200,164	195,444	200,164			2,599	2,647

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

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

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

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		Debt balance - net	
	as at		as at		as at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Pass	9,402	9,632	152	172	9,250	9,460
Special mention	911	984	117	130	794	854
Sub-standard	351	353	143	143	208	210
Doubtful	281	270	102	99	179	171
Doubtful of loss	130	86	48	36	82	50
Total	11,075	11,325	562	580	10,513	10,745

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Receivable from clearing house	715,656	271,516	-	-
Value added tax - net	488,170	577,447	5,182	1,086
Accrued interest receivable	47,812	53,518	-	-
Fee and service receivables	212,378	210,915	100,736	74,000
Refundable income tax and prepaid				
income tax	22,337	21,302	-	-
Deposits	50,838	47,628	4,079	4,080
Other receivables	655,694	603,072	-	8,025
Dividend receivables	8,650	4,000	-	-
Other assets	743,022	688,169	80,493	68,369
Total other assets	2,944,557	2,477,567	190,490	155,560

3.9 Deposits

3.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Deposits		
Current accounts	3,118,337	2,480,901
Saving accounts	42,714,584	40,751,442
Fixed accounts		
- not over 6 months	14,441,509	12,917,074
- over 6 months but not over 1 year	18,617,754	20,938,222
- over 1 year	183,195	201,249
Certificates of deposit/negotiable certificates of deposit	148,535,836	187,351,865
Total	227,611,215	264,640,753

3.9.2 Classified by remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Not over 1 year*	227,161,742	264,152,811
Over 1 year	449,473	487,942
Total deposits	227,611,215	264,640,753

*Including fully-mature deposit contracts

3.9.3 As at 31 March 2014 and 31 December 2013, all outstanding deposits are deposits from domestic depositors and in Baht.

3.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	10,643,000	8,243,000	-	-
Unsubordinated unsecured debentures	36,282,000	28,566,000	-	-
Unsubordinated guaranteed debentures	1,000,000	1,000,000	-	-
Bills of exchange	6,700,422	6,273,822	6,556,600	6,128,000
Promissory notes	797	797	-	-
Total	54,626,219	44,083,619	6,556,600	6,128,000

3.10.1 Subordinated unsecured debentures

As at 31 March 2014 and 31 December 2013, a subsidiary company operating banking business has long-term subordinated unsecured debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		31 March 2014	31 December 2013		31 March 2014	31 December 2013		
		(Units)	(Units)		(Million Baht)	(Million Baht)		
2009	TISCO Bank	2 million	2 million	1,000	2,000	2,000	2019	5.50 percent per annum in the first to third years, 6.00 percent per annum in the fourth to seventh years and 6.50 percent per annum in the eighth to tenth years
2009	TISCO Bank	2 million	2 million	1,000	2,000	2,000	2019	5.00 percent per annum in the first to third years, 5.50 percent per annum in the fourth to seventh years and 6.00 percent per annum in the eighth to tenth years
2010	TISCO Bank	1 million	1 million	1,000	1,000	1,000	2020	5.00 percent per annum
2010	TISCO Bank	1 million	1 million	1,000	1,000	1,000	2020	4.80 percent per annum
2012	TISCO Bank	1 million	1 million	1,000	1,000	1,000	2022	4.85 percent per annum
2012	TISCO Bank	1,243,000	1,243,000	1,000	1,243	1,243	2022	4.60 percent per annum
2014	TISCO Bank	1,600,000	-	1,000	1,600	-	2024	6.00 percent per annum
2014	TISCO Bank	800,000	-	1,000	800	-	2024	6.00 percent per annum
Total					10,643	8,243		

3.10.2 Unsubordinated unsecured debentures

As at 31 March 2014 and 31 December 2013, a subsidiary company operating banking business has short term unsubordinated unsecured debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		31 March 2014	31 December 2013		31 March 2014	31 December 2013		
		(Unit)	(Unit)		(Million Baht)	(Million Baht)		
2013	TISCO Bank	4,247,000	16,166,000	1,000	4,247	16,166	2014	2.80 - 3.15 percent per annum
2013	TISCO Bank	3 million	3 million	1,000	3,000	3,000	2014	3.15 percent per annum
2013	TISCO Bank	3,500,000	3,500,000	1,000	3,500	3,500	2014	3.15 percent per annum
2013	TISCO Bank	3 million	3 million	1,000	3,000	3,000	2014	3.10 percent per annum
2013	TISCO Bank	2,600,000	2,600,000	1,000	2,600	2,600	2014	3.05 percent per annum
2013	TISCO Bank	300,000	300,000	1,000	300	300	2014	3.10 percent per annum
2014	TISCO Bank	19,635,000	-	1,000	19,635	-	2014	2.50 - 2.87 percent per annum
Total					36,282	28,566		

3.10.3 Unsubordinated guaranteed debentures

As at 31 March 2014 and 31 December 2013, a subsidiary company operating leasing business has long term unsubordinated guaranteed debentures as follows:

Year	Issuer	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		31 March 2014	31 December 2013		31 March 2014	31 December 2013		
		(Unit)	(Unit)		(Million Baht)	(Million Baht)		
2013	TISCO Tokyo Leasing Co., Ltd.	350,000	350,000	1,000	350	350	2015	3.88 percent per annum
2013	TISCO Tokyo Leasing Co., Ltd.	650,000	650,000	1,000	650	650	2017	4.37 percent per annum
Total					1,000	1,000		

3.10.4 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing and float interest rate bearing, which will gradually mature in 2014 to 2015. The interest rates of the fixed interest rate bearing bills of exchange are between 2.50 and 4.25 percent per annum.

3.11 Provisions for long-term employee benefits

Provisions for long-term employee benefits, which are compensations on employee's retirement and other long-term benefits, as at 31 March 2014 and 31 December 2013 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	251,556	242,830
Current service cost	4,929	18,889
Interest cost	2,535	9,150
Benefits paid during the period/year	-	(6,258)
Actuarial gains	-	(13,055)
Defined post employment benefit obligation at end of period/year	259,020	251,556
Other long-term benefits	80,973	82,983
Total provisions for long-term employee benefits at end of period/year	339,993	334,539

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	31 March 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	60,289	59,889
Current service cost	918	3,542
Interest cost	594	2,212
Benefits paid during the period/year	-	(1,684)
Actuarial gains	-	(3,670)
Defined post employment benefit obligation at end of period/year	61,801	60,289
Other long-term benefits	10,995	11,547
Total provisions for long-term employee benefits at end of period/year	72,796	71,836

(Unaudited but reviewed)

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2014 and 2013 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	for the three-month periods		for the three-month periods	
	ended 31 March		ended 31 March	
	2014	2013	2014	2013
Current service cost	7,751	7,477	1,218	1,195
Interest cost	3,190	2,774	694	528
Total employee benefit expenses	10,941	10,251	1,912	1,723

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Discount rate	2.36 - 4.64	2.36 - 4.64	2.36 - 4.64	2.36 - 4.64
Average salary increase rate	3.80	3.80	3.80	3.80
Average inflation rate	2.92	2.92	2.92	2.92

3.12 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
Payable to clearing housing	118,689	298,874	-	-
Withholding income tax and other				
tax payables	310,861	315,964	15,169	44,506
Accrued insurance premium	479,248	819,656	-	-
Deferred income	1,027,545	950,012	-	-
Accrued expenses	2,420,919	2,438,450	1,122,054	977,292
Suspense creditors	303,056	583,941	-	-
Other payables	26,222	95,479	-	-
Other liabilities	220,357	268,105	65	65
Total other liabilities	4,906,897	5,770,481	1,137,288	1,021,863

The above accrued expenses included 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 31 March 2014 and 31 December 2013, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 419 million and Baht 408 million, respectively (the Company only: Baht 236 million and Baht 230 million, respectively).

3.13 Capital funds

- 3.13.1 The primary objectives of the Group's capital management are to maintain its ability to continue as a going concern and to maintain capital adequacy ratio, cash liquidity and others in accordance with the regulations of the Bank of Thailand or relevant regulatory agencies.
- 3.13.2 TISCO Bank maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings - Based Approach (IRB) for hire purchase receivables, corporate lending, equity exposure and other assets.

Regarding Capital fund as at 31 March 2014 and 31 December 2013, TISCO Bank has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

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

(Unit: Thousand Baht)

	As at	
	31 March 2014	31 December 2013
<u>Common Equity Tier I capital</u>		
Issued and fully paid up share capital	8,191,712	8,191,712
Premium on share capital	1,120,738	1,120,738
Statutory reserve	984,000	984,000
Net profits after appropriation	7,943,322	7,943,322
Other components of shareholders' equity	4,404	-
Less: Deficit provision according to IRB	(370,157)	(620,222)
Total Common Equity Tier I capital	17,874,019	17,619,550
<u>Financial Instrument Tier I capital</u>		
Issued and paid up share capital - non cumulative preferred shares	1	-
Total Tier I capital	17,874,020	17,619,550
<u>Tier II capital</u>		
Subordinated long-term debentures	8,643,000	7,518,700
Reserve for loans classified as pass	652,984	608,075
Total Tier II capital	9,295,984	8,126,775
Total capital funds	27,170,004	25,746,325

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2014		31 December 2013	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	9.42	4.50	9.15	4.50
Tier I capital to risk assets	9.42	6.00	9.15	6.00
Total capital to risk assets	14.32	8.50	13.37	8.50

3.13.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 6/2553 regarding "Consolidated Supervision" dated 18 June 2010, the Company has disclosed capital maintenance information of financial business group as at 31 December 2013 on its website on 30 April 2014.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Interbank and money market items	236,275	215,240
Investments in debt securities	105,923	41,671
Loans to customers	1,517,019	1,344,673
Hire purchase and financial lease	3,139,055	2,865,381
Total interest income	4,998,272	4,466,965

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Interbank and money market items	4,691	4,528
Loans to customers	32,441	37,484
Total interest income	37,132	42,012

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Deposits	1,808,271	1,730,941
Interbank and money market items	109,722	98,742
Contribution fee to the Deposit Protection Agency and Bank of Thailand	342,053	283,955
Issued debt instruments		
- Subordinated debentures	128,633	106,934
- Unsubordinated debentures	255,660	37,060
Borrowings	48,083	105,985
Total interest expenses	2,692,422	2,363,617

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Interbank and money market items	-	322
Borrowings	46,771	50,685
Total interest expenses	46,771	51,007

3.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Fee and service income		
- Acceptance, aval and guarantees	4,721	2,737
- Insurance service	682,431	825,381
- Brokerage fees	166,147	362,949
- Fund management	185,515	201,569
- Financial advisory fees	5,851	3,800
- Others	239,056	242,756
Total fee and service income	1,283,721	1,639,192
Fee and service expenses		
- Information service expenses	(6,572)	(6,115)
- Others	(41,912)	(60,190)
Total fee and service expenses	(48,484)	(66,305)
Net fee and service income	1,235,237	1,572,887

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Fee and service income	-	-
Fee and service expenses	(2,581)	(2,287)
Fee and service income - net	(2,581)	(2,287)

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

Net gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		For the three-month periods ended 31 March	
		2014	2013
Gains (losses) on trading and foreign exchange transactions			
- Foreign currencies and derivatives on foreign exchange		2,062	(33,683)
- Derivatives on interest rates		3,590	(3,809)
- Debt securities		1,899	2,090
- Others		-	(6)
Total		7,551	(35,408)

		(Unit: Thousand Baht)	
		Separate financial statements	
		For the three-month periods ended 31 March	
		2014	2013
Losses on trading and foreign exchange transactions			
- Foreign currencies		(9,784)	(34,857)
Total		(9,784)	(34,857)

3.18 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Gains on disposal		
- Available-for-sale investments	(800)	154,847
- Held-to-maturity debt securities	14	73
- General investments	5,924	11,157
Total	5,138	166,077
Reversal of losses on impairment		
- General investments	203	-
Total	203	-
Net gains on investments	5,341	166,077

3.19 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Interbank and money market items	5,000	25,000
Held-to-maturity debt securities	22	93
Loans to customers	1,170,737	914,998
Total	1,175,759	940,091

3.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Gain on disposal of property foreclosed	8,609	-
Rental income	7,303	7,230
Others	3,395	5,830
Total	19,307	13,060

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Rental income	16,290	16,382
Others	431	308
Total	16,721	16,690

3.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2014	2013
Mailing expenses	17,111	15,449
Software amortisation expenses	14,568	16,213
Legal expenses	60,485	36,163
Transportation expenses	26,304	23,266
Advertising and business promotion expenses	33,437	23,838
Loss on disposal of property foreclosed	-	23,332
Others	56,812	32,610
Total	208,717	170,871

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2014	2013
		(Restated)
Mailing expenses	326	10
Software amortisation expenses	6,629	6,085
Transportation expenses	1,979	2,056
Advertising and business promotion expenses	7,879	353
Others	8,393	3,332
Total	25,206	11,836

3.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month periods ended 31 March 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
				(Restated)
Current income tax:				
Income tax expenses for the periods	325,350	333,216	19,698	15,139
Adjustment in respect of current income tax of previous year	-	2,959	-	(950)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(88,164)	(51,748)	514	42
Income tax expenses reported in statements of comprehensive income	237,186	284,427	20,212	14,231

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
Other comprehensive income				
Loss on translation adjustment in foreign operations	-	(1,953)	-	-
Available-for-sale investments:				
Gains (losses) during the periods	25,441	92,849	(17,074)	(34,756)
Add (less): Reclassification adjustments for gains included in profit or loss	800	(154,847)	-	-
	26,241	(61,998)	(17,074)	(34,756)
Cash flow hedges:				
Gains during the periods	2,904	25,002	-	-
Add: Reclassification adjustments for gains included in profit or loss	3,569	-	-	-
	6,473	25,002	-	-
Total other comprehensive income	32,714	(38,949)	(17,074)	(34,756)
Income tax effect	(6,543)	2,417	3,415	6,951
Net other comprehensive income for the periods	26,171	(36,532)	(13,659)	(27,805)

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	2014			2013		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains (losses) on valuation in available-for-sale investments	26,241	(5,249)	20,992	(61,998)	7,417	(54,581)
Cash flow hedges	6,473	(1,294)	5,179	25,002	(5,000)	20,002
	32,714	(6,543)	26,171	(36,996)	2,417	(34,579)

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 31 March					
	2014			2013		
	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	(17,074)	3,415	(13,659)	(34,756)	6,951	(27,805)
	<u>(17,074)</u>	<u>3,415</u>	<u>(13,659)</u>	<u>(34,756)</u>	<u>6,951</u>	<u>(27,805)</u>

3.25 Earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended		For the three-month periods ended	
	31 March		31 March	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (Thousand Baht)	934,692	1,153,503	77,732	61,761
Weighted average number of shares (Thousand shares)	800,655	727,912	800,655	727,912
Basic earnings per share (Baht/share)	1.17	1.58	0.10	0.08

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January 2014	Increase	Decrease	As at 31 March 2014
<u>Outstanding balance</u>				
(Eliminated in consolidated financial statements)				
Subsidiary companies				
Interbank and money market items (Assets):				
TISCO Bank Public Company Limited	510,072	1,491,167	-	2,001,239
Loans:				
Hi-Way Co., Ltd.	1,486,000	-	(15,000)	1,471,000
TISCO Leasing Co., Ltd.	2,500,000	-	(256,500)	2,243,500
Dividend receivables:				
TISCO Bank Public Company Limited	655,248	-	(655,248)	-
TISCO Securities Co., Ltd.	458,000	-	-	458,000
TISCO Asset Management Co., Ltd.	308,998	-	-	308,998
TISCO Information Technology Co., Ltd.	15,000	-	-	15,000
TISCO Learning Center Co., Ltd.	19,999	-	-	19,999
Other assets:				
TISCO Bank Public Company Limited	73,685	18,093	-	91,778
TISCO Learning Center Co., Ltd.	302	779	-	1,081
Deutsche TISCO Investment Advisory Co., Ltd.	8,025	-	(150)	7,875
Other liabilities:				
TISCO Securities Co., Ltd.	1,000	-	(661)	339
TISCO Learning Center Co., Ltd.	128	173	-	301

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	2014	2013	
<u>Transactions occurred during the</u>			
<u>three-month periods ended 31 March</u>			
(Eliminated in consolidated financial statements)			
Subsidiary companies			
Risk and financial management fee income, human resources management fee income and office administration fee income	380,217	431,467	Determined on the basis on actual cost
Interest income	37,096	41,931	With reference to the terms and prices as offered to other customers
Rental income	16,052	16,123	With reference to the terms and prices as offered to other customers
Computer system advisory services expenses	44,750	42,500	Determined on the basis on actual cost
Interest expenses	-	435	With reference to the terms and prices as offered to other customers
Training expenses	746	253	With reference to the prices as offered from other service providers
Other expenses	317	-	With reference to the terms and prices as offered to other customers

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Loans ⁽¹⁾	26,940	27,778

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Deposits	195,552	212,539

Directors and management's benefits

During the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had short-term benefit expenses paid to their directors and management during the periods and other employee benefit expenses payable to their directors and management as below:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2014	2013	2014	2013
Short-term benefits	58	53	35	35
Post-employment benefits	2	1	1	1
Total	60	54	36	36

3.27 Segment information

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

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 31 March 2014 and 2013, respectively.

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	(Unit: Million Baht) Consolidated financial statement
For the three-month period ended 31 March 2014							
Revenue							
External customers	3,437	187	219	(59)	3,784	-	3,784
Inter-segment	(11)	64	-	557	610	(611)	(1)
Total revenue	3,426	251	219	498	4,394	(611)	3,783
Operating results:							
Net interest income	2,302	11	2	(9)	2,306	-	2,306
Net fee and service income	883	227	217	120	1,447	(212)	1,235
Other operating income	241	13	-	387	641	(399)	242
Total operating income	3,426	251	219	498	4,394	(611)	3,783
Depreciation and amortisation	(223)	(20)	(6)	(111)	(360)	124	(236)
Other operating expenses	(1,085)	(189)	(107)	(276)	(1,657)	480	(1,177)
Bad debt, doubtful accounts and impairment losses	(1,171)	-	-	-	(1,171)	(5)	(1,176)
Total operating expenses	(2,479)	(209)	(113)	(387)	(3,188)	599	(2,589)
Segment profit	947	42	106	111	1,206	(12)	1,194
Income tax expenses							(237)
Non-controlling interests of the subsidiaries							(22)
Profit for the period - equity holders of the Company							935

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 31 March 2013							
Revenue							
External customers	3,590	502	255	(92)	4,255	-	4,255
Inter-segment	(61)	110	-	612	661	(661)	-
Total revenue	3,529	612	255	520	4,916	(661)	4,255
Operating results:							
Net interest income	2,101	8	3	(9)	2,103	-	2,103
Net fee and service income	979	463	252	113	1,807	(234)	1,573
Other operating income	449	141	-	416	1,006	(427)	579
Total operating income	3,529	612	255	520	4,916	(661)	4,255
Depreciation and amortisation	(227)	(21)	(6)	(110)	(364)	119	(245)
Other operating expenses	(1,479)	(264)	(103)	(314)	(2,160)	566	(1,594)
Bad debt, doubtful accounts and impairment losses	(940)	-	-	-	(940)	-	(940)
Total operating expenses	(2,646)	(285)	(109)	(424)	(3,464)	685	(2,779)
Segment profit	883	327	146	96	1,452	24	1,476
Income tax expenses							(284)
Non-controlling interests of the subsidiaries							(38)
Profit for the period - equity holders of the Company							1,154

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 March 2014 and 31 December 2013:

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	(Unit: Million Baht) Consolidated financial statement
Total segment assets							
As at 31 March 2014	326,580	3,842	825	26,224	357,471	(24,671)	332,800
As at 31 December 2013	353,495	4,363	726	25,600	384,184	(24,921)	359,263

3.28 Commitments and contingent liabilities

3.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2014	31 December 2013
Avals	195,885	42,552
Other guarantees	559,213	753,815
Undrawn client overdraft facilities	44,450	54,041
Interest rate swap agreements	600,000	2,274,303
Cross currency swap agreements	3,560,169	3,658,515
Total	4,959,717	6,783,226

3.28.2 Litigation

As at 31 March 2014 and 31 December 2013, the subsidiary has been sued for compensation totaling approximately Baht 349 million and Baht 356 million, respectively. Final judgments have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.28.3 Other commitments

- a) The subsidiary company operating banking business has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary companies have entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally 3 - 12 years.

As at 31 March 2014 and 31 December 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

(Unit: Million Baht)

	As at	
	31 March 2014	31 December 2013
Payable within:		
Not over 1 year	126	133
Over 1 to 5 years	99	101
Over 5 years	2	5

4. Events after the reporting period

The 2014 Annual General Meeting of the shareholders of the Company, which convened 22 April 2014, passed a resolution approving a dividend payment of Baht 2.00 per share from the operating results of the year 2013 to ordinary and preference shareholders listed in the share register as at 6 May 2014. The dividend is to be paid on 21 May 2014 and will be recorded in the accounts in the second quarter of year 2014.

The 2014 Annual General Meeting of the shareholders of TISCO Bank Public Company Limited (“the Bank”), a subsidiary of the Company, which convened on 22 April 2014, passed a resolution approving the increase of the Bank’s registered capital to accommodate the allocation of the new common shares to the existing shareholders of the Bank named in the share register as at 12 May 2014, pro rata to their shareholding. The Bank will increase its registered capital to Baht 9,215,676,920. The additional registered capital of Baht 1,023,964,100 will consist of 102,396,410 common shares with a par value of Baht 10 per share, and the new shares will be allocated at an offering ratio of 1 new share for every 8 existing shares (both common and preferred shares), with an offer price of Baht 23.89 per share, for a total of Baht 2,446,250,235. The offer price was calculated based on the book value of shareholders’ equity as at 31 December 2013.

5. Approval of interim financial statements

These interim financial statements were approved by the Company’s Audit Committee on 7 May 2014.