

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month and six-month periods ended
30 June 2014



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลกซ์ดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

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 June 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same periods. 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 reviews.

Scope of Review

I conducted my reviews 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 reviews, 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: 8 August 2014

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,094,275	1,131,004	70	70
Interbank and money market items - net		29,444,698	53,241,962	171,560	510,072
Derivatives assets	3.2	23,708	32,857	-	-
Investments - net	3.3, 3.7	17,605,369	11,489,596	764,999	763,957
Investment in subsidiaries - net	3.4	-	-	19,370,029	16,923,874
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		306,253,595	320,767,368	3,570,000	3,986,000
Accrued interest receivables		424,355	535,851	-	-
Total loans to customers and accrued interest receivables		306,677,950	321,303,219	3,570,000	3,986,000
Less: Deferred revenue		(25,977,203)	(28,616,716)	-	-
Less: Allowance for doubtful accounts	3.6	(6,696,990)	(6,354,337)	-	-
Loans to customers and accrued interest receivables - net		274,003,757	286,332,166	3,570,000	3,986,000
Property foreclosed - net		108,570	124,757	-	-
Investment properties		16,856	16,856	778,245	783,170
Premises and equipment - net		2,510,816	2,511,745	629,796	629,039
Intangible assets - net		304,518	111,964	98,839	56,952
Deferred tax assets		265,494	245,383	107,178	108,845
Securities and derivatives business receivables - net		1,760,405	1,546,662	-	-
Dividend receivable from subsidiaries		-	-	-	1,457,244
Other assets	3.8	2,350,715	2,477,567	186,876	155,560
Total assets		329,489,181	359,262,519	25,677,592	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 30 June 2014

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	226,736,358	264,640,753	-	-
Interbank and money market items - net		19,367,221	16,702,692	-	-
Liability payable on demand		594,847	344,864	-	-
Derivatives liabilities	3.2	8,000	315,668	-	-
Debts issued and borrowings	3.10	49,452,219	44,083,619	7,776,900	6,128,000
Provision for long-term employee benefits	3.11	380,097	334,539	81,222	71,836
Deferred tax liabilities		71,711	159,797	-	-
Securities and derivatives business payables		1,621,124	1,511,017	-	-
Accrued interest payables		1,334,809	1,710,574	46,215	36,756
Income tax payable		491,144	470,457	15,409	73,364
Other liabilities	3.12	5,789,511	5,770,481	1,154,863	1,021,863
Total liabilities		305,847,041	336,044,461	9,074,609	7,331,819

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

TISCO Financial Group Public Company Limited and its subsidiaries

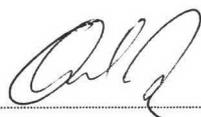
Statement of financial position (continued)

As at 30 June 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(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	336	339	336	339
800,621,925 ordinary shares of Baht 10 each	8,006,219	8,006,216	8,006,219	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	-	-	295	298
Share premium on ordinary shares	1,018,408	1,018,408	7,031,228	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	1,649,316	1,570,190	165,540	158,104
Retained earnings				
Appropriated-statutory reserve	496,200	496,200	496,200	496,200
Unappropriated	12,203,168	11,895,567	903,165	2,350,582
Equity attributable to owners of the Company	<u>23,373,647</u>	<u>22,986,920</u>	<u>16,602,983</u>	<u>18,042,964</u>
Non-controlling interests of the subsidiaries	268,493	231,138	-	-
Total shareholders' equity	<u>23,642,140</u>	<u>23,218,058</u>	<u>16,602,983</u>	<u>18,042,964</u>
Total liabilities and shareholders' equity	<u>329,489,181</u>	<u>359,262,519</u>	<u>25,677,592</u>	<u>25,374,783</u>

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



Mrs. Oranuch Apisakornkul

(Group Chief Executive, TISCO Group)



TISCO

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

Mmm

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 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	4,857,828	4,766,056	40,247	50,491
Interest expenses	3.15	(2,434,595)	(2,537,047)	(63,747)	(63,574)
Net interest income		2,423,233	2,229,009	(23,500)	(13,083)
Fee and service income		1,299,360	1,268,152	-	-
Fee and service expenses		(47,782)	(58,597)	(5,771)	(3,392)
Net fee and service income	3.16	1,251,578	1,209,555	(5,771)	(3,392)
Net gains on trading and foreign exchange transactions	3.17	12,767	69,767	595	47,624
Net gains on investments	3.18	13,840	86,719	-	-
Dividend income		43,916	44,598	-	-
Penalty fee income from loans		78,909	71,582	-	-
Income from business promotion relating to the hire purchase business		77,797	179,170	-	-
Intercompany supporting fee income	3.26	-	-	378,448	362,819
Other operating income	3.20, 3.26	20,942	12,081	16,377	16,588
Total operating income		3,922,982	3,902,481	366,149	410,556
Expenses from business promotion relating to the hire purchase business		80,592	217,574	-	-
Total net operating income		3,842,390	3,684,907	366,149	410,556
Operating expenses					
Employee's expenses		849,845	946,412	146,452	178,555
Directors' remuneration		3,445	3,110	3,445	2,950
Premises and equipment expenses		238,078	223,634	82,668	85,265
Taxes and duties		57,581	55,000	1,710	1,610
Other operating expenses	3.21	224,817	156,945	32,175	13,980
Total operating expenses		1,373,766	1,385,101	266,450	282,360
Bad debt, doubtful accounts and impairment losses	3.19	1,219,562	810,134	-	-
Profit from operating before income tax expenses		1,249,062	1,489,672	99,699	128,196
Income tax expenses	3.22	245,933	303,186	20,135	26,256
Profit for the period		1,003,129	1,186,486	79,564	101,940

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 June 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				
Gains arising from translating the financial statements of a foreign operation		-	2,641	-	-
Gains (losses) on valuation in available-for-sale investments		74,270	(320,109)	27,304	(137,332)
Actuarial gains (losses)		(27,696)	7,785	(5,210)	5,112
Cash flow hedges		3,003	(31,901)	-	-
Income tax effect	3.22, 3.24	(9,939)	71,433	(4,419)	26,444
Other comprehensive income for the period		<u>39,638</u>	<u>(270,151)</u>	<u>17,675</u>	<u>(105,776)</u>
Total comprehensive income for the period		<u>1,042,767</u>	<u>916,335</u>	<u>97,239</u>	<u>(3,836)</u>
Profit attributable to					
Equity holders of the Company	3.25	991,785	1,159,138	79,564	101,940
Non-controlling interests of the subsidiaries		11,344	27,348		
		<u>1,003,129</u>	<u>1,186,486</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,029,799	903,053	97,239	(3,836)
Non-controlling interests of the subsidiaries		12,968	13,282		
		<u>1,042,767</u>	<u>916,335</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	1.24	1.59	0.10	0.14

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

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 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	9,856,100	9,233,021	77,379	92,504
Interest expenses	3.15	(5,127,017)	(4,900,664)	(110,517)	(114,581)
Net interest income		4,729,083	4,332,357	(33,138)	(22,077)
Fee and service income		2,583,081	2,907,344	-	-
Fee and service expenses		(96,266)	(124,902)	(8,352)	(5,678)
Net fee and service income	3.16	2,486,815	2,782,442	(8,352)	(5,678)
Net gains (losses) on trading and foreign exchange transactions	3.17	20,319	34,359	(9,189)	12,767
Net gains on investments	3.18	19,180	252,796	-	-
Dividend income		77,421	78,863	-	2,205
Penalty fee income from loans		168,256	137,971	-	-
Income from business promotion relating to the hire purchase business		165,048	513,764	-	-
Intercompany supporting fee income	3.26	-	-	758,665	794,285
Other operating income	3.20, 3.26	40,249	25,142	33,098	33,278
Total operating income		7,706,371	8,157,694	741,084	814,780
Expenses from business promotion relating to the hire purchase business		188,744	608,101	-	-
Total net operating income		7,517,627	7,549,593	741,084	814,780
Operating expenses					
Employee's expenses		1,667,751	1,943,116	311,613	408,355
Directors' remuneration		6,480	6,420	6,480	6,020
Premises and equipment expenses		459,568	452,279	166,254	168,786
Taxes and duties		111,884	104,115	1,712	1,614
Other operating expenses	3.21	433,533	327,817	57,381	25,817
Total operating expenses		2,679,216	2,833,747	543,440	610,592
Bad debt, doubtful accounts and impairment losses	3.19	2,395,321	1,750,226	-	-
Profit from operating before income tax expenses		2,443,090	2,965,620	197,644	204,188
Income tax expenses	3.22	483,119	587,612	40,347	40,487
Profit for the period		1,959,971	2,378,008	157,297	163,701

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the six-month period ended 30 June 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				
Gains arising from translating the financial statements of a foreign operation		-	688	-	-
Gains (losses) on valuation in available-for-sale investments		100,511	(382,107)	10,230	(172,088)
Actuarial gains (losses)		(27,696)	7,785	(5,210)	5,112
Cash flow hedges		9,476	(6,899)	-	-
Income tax effect	3.22, 3.24	(16,482)	73,850	(1,004)	33,395
Other comprehensive income for the period		<u>65,809</u>	<u>(306,683)</u>	<u>4,016</u>	<u>(133,581)</u>
Total comprehensive income for the period		<u>2,025,780</u>	<u>2,071,325</u>	<u>161,313</u>	<u>30,120</u>
Profit attributable to					
Equity holders of the Company	3.25	1,926,477	2,312,641	157,297	163,701
Non-controlling interests of the subsidiaries		33,494	65,367		
		<u>1,959,971</u>	<u>2,378,008</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,988,021	2,009,823	161,313	30,120
Non-controlling interests of the subsidiaries		37,759	61,502		
		<u>2,025,780</u>	<u>2,071,325</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	<u>2.41</u>	<u>3.17</u>	<u>0.20</u>	<u>0.22</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
				(Restated)
Cash flows from operating activities				
Profit before income tax	2,443,090	2,965,620	197,644	204,188
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	128,962	145,831	37,265	41,215
Bad debts and doubtful accounts	2,914,548	2,166,255	-	-
Allowance for impairment of investments (reversal)	1,206	(567)	-	-
Allowance for impairment of property foreclosed	72	571	-	-
Gain on disposal of investments in securities	(20,386)	(253,801)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	23,127	(20,972)	9,189	(12,767)
Gain on disposal of equipment	(4,055)	(1,184)	(216)	(2)
Loss on written-off of equipment	10	-	-	-
Loss on written-off of intangible assets	53	-	-	-
Unrealised (gain) loss from trading securities	(5,743)	(3,593)	-	-
(Gain) loss on disposal of property foreclosed	(13,955)	1,155	-	-
Employee benefit (income) expenses	26,392	(2,441)	5,282	460
(Increase) decrease in accrued income	7,115	69,621	(24,968)	62,648
Increase in accrued expenses	490,596	605,187	169,372	225,950
Net interest income	(4,729,083)	(4,332,357)	33,138	22,077
Dividend income	(77,421)	(78,863)	-	(2,205)
Cash received on interest income	9,873,529	9,079,386	77,629	91,964
Cash paid on interest expenses	(4,813,329)	(4,072,160)	(101,059)	(96,196)
Cash received on dividend income	79,509	77,306	1,457,244	1,834,859
Cash paid on income tax expenses	(587,172)	(560,531)	(97,638)	(86,769)
Profit from operating activities before changes in operating assets and liabilities	5,737,065	5,784,463	1,762,882	2,285,422
Operating assets (increase) decrease				
Interbank and money market items	23,792,312	(1,175,343)	338,513	(1,939,794)
Loans to customers	7,413,027	(34,849,848)	416,000	(529,000)
Securities and derivative business receivables	(213,743)	(420,014)	-	-
Receivables from clearing house	57,902	(340,186)	-	-
Properties foreclosed	1,614,847	1,527,483	-	-
Other assets	47,101	636,530	(6,599)	(12,554)
Operating liabilities increase (decrease)				
Deposits	(37,904,394)	18,269,609	-	-
Interbank and money market items	2,672,029	4,588,769	-	(200,000)
Liability payable on demand	249,982	(185,027)	-	-
Securities and derivative business payables	110,107	1,396,713	-	-
Short-term debts issued and borrowings	6,968,600	6,853,511	1,648,900	2,307,441
Payable to clearing house	44,869	(667,970)	-	-
Provisions for long-term employee benefits	(8,530)	-	(1,107)	-
Other liabilities	(1,095,788)	(657,212)	(36,371)	(769)
Net cash flows from operating activities	9,485,386	761,478	4,122,218	1,910,746

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

(Unaudited but reviewed)

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

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
				(Restated)
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(14,040,644)	(2,948,592)	-	-
Cash received from disposal of investment in securities held for investment	8,038,970	2,209,600	-	-
Cash paid for purchase of equipment	(109,911)	(82,405)	(19,019)	(4,978)
Cash paid for purchase of intangible assets	(213,281)	(10,267)	(56,006)	(3,782)
Cash received from disposal of equipment	4,045	9,386	256	17
Cash paid for acquisition of a subsidiaries	-	-	(2,446,155)	(1,901,980)
Net cash flows used in investing activities	(6,320,821)	(822,278)	(2,520,924)	(1,910,723)
Cash flows from financing activities				
Long-term debts issued and borrowings	-	(3,200)	-	-
Cash received from issuance of long-term debentures	2,400,000	-	-	-
Cash paid for redemption of long-term debentures	(4,000,000)	-	-	-
Dividend paid	(1,601,294)	(1,745,845)	(1,601,294)	(1,745,845)
Cash received from increase in share capital	-	1,745,842	-	1,745,842
Net cash flows used in financing activities	(3,201,294)	(3,203)	(1,601,294)	(3)
Exchange differences on translation of financial statements	-	688	-	-
Net increase (decrease) in cash	(36,729)	(63,315)	-	20
Cash at beginning of period	1,131,004	1,046,330	70	50
Cash at end of period	1,094,275	983,015	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 shareholders' equity (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Note	Separate financial statements									
		Issued and paid-up		Share premium		Other components of shareholders' equity			Retained earnings		Total
		Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on	Surplus on	Total other	Appropriated	Unappropriated	
		shares	shares	shares	shares	valuation in	revaluation of	components			
				available-for-sale	assets	of shareholders'					
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
Dividend paid	4	-	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)
Total comprehensive income for the period - restated		-	-	-	-	(137,670)	-	(137,670)	-	167,790	30,120
Increase ordinary share capital		-	727,434	-	1,018,408	-	-	-	-	-	1,745,842
Balance as at 30 June 2013		<u>339</u>	<u>8,006,216</u>	<u>298</u>	<u>7,031,225</u>	<u>(126,099)</u>	<u>-</u>	<u>(126,099)</u>	<u>405,200</u>	<u>454,766</u>	<u>15,771,945</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
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,294)	(1,601,294)
Total comprehensive income for the period		-	-	-	-	8,185	-	8,185	-	153,128	161,313
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(749)	(749)	-	749	-
Preference shares converted to ordinary shares		(3)	3	(3)	3	-	-	-	-	-	-
Balance as at 30 June 2014		<u>336</u>	<u>8,006,219</u>	<u>295</u>	<u>7,031,228</u>	<u>(64,707)</u>	<u>230,247</u>	<u>165,540</u>	<u>496,200</u>	<u>903,165</u>	<u>16,602,983</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

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
	Note	Issued and paid-up		Share premium on ordinary shares	Other comprehensive income				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		available-for-sale investments	Surplus (deficit) on valuation in revaluation	Surplus on of assets	Cash flow hedges			Exchange differences on translation of financial statements in foreign currency	Appropriated			
Balance as at 1 January 2013		339	7,278,782	-	278,407	-	907	81,795	679,266	1,040,375	405,200	9,471,665	18,196,361	183,889	18,380,250
Dividend paid	4	-	-	-	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)	-	(1,745,845)
Total comprehensive income for the period		-	-	-	(308,084)	-	(2,704)	688	-	(310,100)	-	2,319,923	2,009,823	61,502	2,071,325
Increase ordinary share capital		-	727,434	1,018,408	-	-	-	-	-	-	-	-	1,745,842	-	1,745,842
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(4,822)	(4,822)
Balance as at 30 June 2013		339	8,006,216	1,018,408	(29,677)	-	(1,797)	82,483	679,266	730,275	405,200	10,045,743	20,206,181	240,569	20,446,750
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
Dividend paid	4	-	-	-	-	-	-	-	-	-	-	(1,601,294)	(1,601,294)	-	(1,601,294)
Total comprehensive income for the period		-	-	-	80,409	-	3,715	-	-	84,124	-	1,903,897	1,988,021	37,759	2,025,780
Transfer surplus on revaluation of assets to retained earnings		-	-	-	-	(4,998)	-	-	-	(4,998)	-	4,998	-	-	-
Preference shares converted to ordinary shares		(3)	3	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(404)	(404)
Balance as at 30 June 2014		336	8,006,219	1,018,408	38,381	935,901	(4,232)	-	679,266	1,649,316	496,200	12,203,168	23,373,647	268,493	23,642,140

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 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 TFRS 4 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 year 2014 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. In addition, the change has an effect on profit after tax and basic earnings per share for the current accounting period as follows:

(Unaudited but reviewed)

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

	For the three-month period ended		For the six-month period ended	
	30 June 2014		30 June 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase in profit after tax	8	1	17	1
Increase in basic earnings per share	0.01	0.001	0.02	0.002

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 year 2014 is expected to decrease profit after tax by approximately Baht 22 million and increase profit after tax by approximately Baht 1 million, respectively, and to 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 change was the result of increasing value of the asset base used for determining depreciation to fair value. In addition, the change has an effect on profit after tax and basic earnings per share for the current accounting period as follows:

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

	For the three-month period ended		For the six-month period ended	
	30 June 2014		30 June 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase (decrease) in profit after tax	(5)	0.1	(11)	0.2
Increase (decrease) in basic earnings per share	(0.01)	0.0002	(0.01)	0.0003

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 year 2014 is expected to increase profit after tax by approximately Baht 12 million and Baht 3 million, respectively, and increase basic earnings per share by Baht 0.01 per share and Baht 0.004 per share, respectively. In addition, the changes have an effect on profit after tax and basic earnings per share for the current accounting period as follows:

(Unaudited but reviewed)

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

	For the three-month period ended		For the six-month period ended	
	30 June 2014		30 June 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase in profit after tax	3	1	6	2
Increase in basic earnings per share	0.004	0.001	0.01	0.002

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 affecting the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	For the three-month period ended		For the six-month period ended	
	30 June 2013		30 June 2013	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement

Statement of comprehensive income

Profit or loss:

Decrease in depreciation	-	3,303	-	6,570
Increase in income tax expenses	-	660	-	1,314
Increase in profit for the period	-	2,643	-	5,256
Increase in basic earnings per share (Baht)	-	0.003	-	0.01

The effect of change in accounting policy on the consolidated financial statements for the three-month and six-month periods ended 30 June 2013 and past years was immaterial. Therefore, the Company and its subsidiaries did not retrospectively adjust the consolidated financial statements for the three-month and six-month periods ended 30 June 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 30 June 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	
			30 June 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					
	30 June 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	21,724	32	3,257,610	-	310,945	3,315,434
Interest rate	966	5,051	900,000	28,220	-	2,274,303
Total	22,690	5,083	4,157,610	28,220	310,945	5,589,737

All counterparties 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					
	30 June 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	1,018	2,917	229,133	4,637	4,723	343,081
Total	1,018	2,917	229,133	4,637	4,723	343,081

All counterparties 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	
	30 June 2014	31 December 2013
Trading investments - fair value	138	-
Available-for-sale investments - fair value		
Government and state enterprise securities	11,530,124	5,637,810
Private sector debt securities	1,100,413	938,819
Domestic marketable equity securities	734,071	658,492
Other securities - domestic unit trusts	27,889	27,604
Other securities - foreign unit trusts	764,999	763,957
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	14,156,036	8,025,222
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	3,001,057	3,000,000
Investment in receivables	19,352	33,872
Less: Allowance for impairment	(17,722)	(17,722)
Total held-to-maturity debt securities	3,002,687	3,016,150
General investments - cost		
Domestic non-marketable equity securities	492,695	494,053
Less: Allowance for impairment	(46,187)	(45,829)
Total general investments	446,508	448,224
Investments - net	17,605,369	11,489,596

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 June 2014	31 December 2013
	Available-for-sale investments - fair value	
Other securities - foreign unit trusts	764,999	763,957

3.3.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 June 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	10,349	1,181	-	11,530	5,435	203	-	5,638
Private sector debt securities	1	1,099	-	1,100	31	907	-	938
Total	10,350	2,280	-	12,630	5,466	1,110	-	6,576
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	10,349	2,280	-	12,629	5,465	1,110	-	6,575
Held-to-maturity debt securities								
Government and state enterprise securities	-	3,000	1	3,001	-	3,000	-	3,000
Investment in receivables	16	3	-	19	32	2	-	34
Less: Allowance for impairment	(15)	(3)	-	(18)	(18)	-	-	(18)
Total	1	3,000	1	3,002	14	3,002	-	3,016
Total debt securities	10,350	5,280	1	15,631	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
	30 June 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 30 June 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					
	30 June 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.	5,894	-	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.	17,358	-	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 six-month periods ended	
		30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	30 June 2013
				(%)	(%)				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	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	-	-
						19,479	17,033	-	2
Less: Allowance for impairment						(109)	(109)		
Investments in subsidiaries - net						19,370	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	
	30 June 2014	31 December 2013
Loans to customers		
Loans	78,443,352	80,719,897
Hire purchase receivables	220,495,892	232,863,826
Financial lease receivables	8,122,777	7,996,365
Less: Deferred revenue	(25,977,203)	(28,616,716)
Advances received from financial lease receivables	(808,426)	(812,720)
Total loans to customers	280,276,392	292,150,652
Add: Accrued interest receivables	424,355	535,851
Less: Allowance for doubtful accounts	(6,696,990)	(6,354,337)
Loans to customers and accrued interest receivables - net	274,003,757	286,332,166

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 June 2014	31 December 2013
Loans to customers		
Loans	3,570,000	3,986,000
Loans to customers and accrued interest receivables - net	3,570,000	3,986,000

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 June 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	277,030,892	-	277,030,892	288,869,292	-	288,869,292
US Dollars	-	3,245,500	3,245,500	-	3,281,360	3,281,360
Total loans to customers net of deferred revenue	277,030,892	3,245,500	280,276,392	288,869,292	3,281,360	292,150,652

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 June 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	3,570,000	-	3,570,000	3,986,000	-	3,986,000
Total loans to customers net of deferred revenue	3,570,000	-	3,570,000	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					
	30 June 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	246,485	220,990	3,227	259,595	235,950	3,259
- Special mention	17,548	17,268	1,029	17,466	17,189	1,121
- Sub-standard	3,676	3,659	1,145	3,086	3,083	944
- Doubtful	1,604	1,592	486	996	988	279
- Doubtful of loss	228	171	75	176	107	63
Allowance established in excess	-	-	153	-	-	109
Total	269,541	243,680	6,115	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 30 June 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 2,616 million (As at 31 December 2013: total of Baht 2,345 million). TISCO Bank allocated Baht 2,463 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 3,498 million (As at 31 December 2013: total of Baht 3,430 million), the total provision set aside in accordance with BOT requirements is Baht 5,961 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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Pass	0.57	0.58	1	1
Special mention	4.08	4.67	2	2
Sub-standard	22.68	22.95	100	100
Doubtful	22.80	23.13	100	100
Doubtful of loss	22.39	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 30 June 2014, receivables of the subsidiary companies under hire purchase and financial lease agreements amount to Baht 202,058 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 30 June 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	70,155	145,343	5,411	7,710	228,619
Less: Deferred revenue*	(10,214)	(13,330)	(134)	(2,074)	(25,752)
Advances received from financial lease receivables	(68)	(740)	-	(1)	(809)
Present value of minimum lease pay from agreements	59,873	131,273	5,277	5,635	202,058
Allowance for doubtful accounts**					(3,244)
Net hire purchase and financial lease receivables					198,814

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

** These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning 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 commissions and direct expenses incurred at the initiation of hire purchase.

** These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning 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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	6,750	5,328	10,997	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	
	30 June 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	856	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	
	30 June 2014	31 December 2013
Deferred revenue ⁽¹⁾	25,977	28,617

⁽¹⁾ These amounts included deferred revenue of hire purchase and financial lease contracts which are 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		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Debtors restructured during the period				
Number of debtors restructured by modification of				
terms (number)	175	41	327	69
Loan balances before restructuring (Million Baht)	74	28	270	38
Loan balances after restructuring (Million Baht)	74	28	270	38
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	4	4	4	4
Mortgage loan receivables	2	1	2	2

Supplemental information for the three-month and six-month periods ended 30 June 2014 and 2013 relating to the restructured debts is as follows:

	(Unit: Million Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Interest income on restructured receivables	14	10	20	21
Receipt of principal and interest	81	71	139	133

As at 30 June 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			
	30 June 2014		31 December 2013	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,123	650	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 30 June 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	(52,796)	(100,609)	782,595	2,112,978	132,948	44,432	2,919,548
Bad debt written-off	(1,993)	(13,711)	(575,628)	(1,891,283)	(94,280)	-	(2,576,895)
Balance - end of period	<u>3,376,910</u>	<u>1,136,468</u>	<u>1,293,725</u>	<u>599,188</u>	<u>137,316</u>	<u>153,383</u>	<u>6,696,990</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 30 June 2014				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	3,081,582	3,163,804	108,951	6,354,337
Increase in allowance for doubtful accounts during the period	475,945	2,399,171	44,432	2,919,548
Bad debt written-off	(225,076)	(2,351,819)	-	(2,576,895)
Balance - end of period	<u>3,332,451</u>	<u>3,211,156</u>	<u>153,383</u>	<u>6,696,990</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	
	30 June 2014	31 December 2013
Non-performing loans to customers	5,508	4,258
Allowance for doubtful accounts	1,706	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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 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 of which the auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

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

As at 30 June 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	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Pass	272,405	307,922	-	-	-	-	-	-	272,405	307,922
Special mention	17,336	17,246	-	-	-	-	-	-	17,336	17,246
Sub-standard	3,676	3,086	-	-	-	-	-	-	3,676	3,086
Doubtful	1,604	996	-	-	-	-	-	-	1,604	996
Doubtful of loss	228	176	48	47	18	18	18	18	312	259
Total	295,249	329,426	48	47	18	18	18	18	295,333	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	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013	2014	2013
					(%)	(%)		
Pass	170,163	180,736	170,163	180,736	0.57	0.58	971	1,049
Special mention	15,726	15,660	15,726	15,660	4.08	4.67	641	732
Sub-standard	3,251	2,777	3,251	2,777	22.68	22.95	737	637
Doubtful	1,434	922	1,434	922	22.80	23.13	327	213
Doubtful of loss	132	69	132	69	22.39	22.75	30	16
Total	190,706	200,164	190,706	200,164			2,706	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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Pass	9,395	9,632	150	172	9,245	9,460
Special mention	873	984	107	130	766	854
Sub-standard	377	353	149	143	228	210
Doubtful	301	270	114	99	187	171
Doubtful of loss	180	86	62	36	118	50
Total	11,126	11,325	582	580	10,544	10,745

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Receivable from clearing house	213,614	271,516	-	-
Value added tax - net	367,172	577,447	2,089	1,086
Accrued interest receivables	65,467	53,518	-	-
Fee and service receivables	203,800	210,915	98,968	74,000
Refundable income tax and prepaid				
income tax	22,759	21,302	-	-
Deposits	51,973	47,628	4,084	4,080
Other receivables	659,139	603,072	961	8,025
Dividend receivables	1,912	4,000	-	-
Other assets	764,879	688,169	80,774	68,369
Total other assets	2,350,715	2,477,567	186,876	155,560

3.9 Deposits

3.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2014	31 December 2013
Deposits		
Current accounts	3,286,285	2,480,901
Saving accounts	46,035,960	40,751,442
Fixed accounts		
- not over 6 months	20,389,858	12,917,074
- over 6 months but not over 1 year	9,916,854	20,938,222
- over 1 year	390,294	201,249
Certificates of deposit/negotiable certificates of deposit	146,717,107	187,351,865
Total	<u>226,736,358</u>	<u>264,640,753</u>

3.9.2 Classified by remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2014	31 December 2013
Not over 1 year*	226,056,169	264,152,811
Over 1 year	680,189	487,942
Total deposits	<u>226,736,358</u>	<u>264,640,753</u>

*Including fully-mature deposit contracts

3.9.3 As at 30 June 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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,643,000	8,243,000	-	-
Unsubordinated unsecured debentures	33,888,900	28,566,000	-	-
Unsubordinated guaranteed debentures	1,000,000	1,000,000	-	-
Bills of exchange	7,919,522	6,273,822	7,776,900	6,128,000
Promissory notes	797	797	-	-
Total	49,452,219	44,083,619	7,776,900	6,128,000

3.10.1 Subordinated unsecured debentures

As at 30 June 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
		30 June 2014	31 December 2013		30 June 2014	31 December 2013		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2009	TISCO Bank	-	2	1,000	-	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	1,000	-	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	1	1,000	1,000	1,000	2020	5.00 percent per annum
2010	TISCO Bank	1	1	1,000	1,000	1,000	2020	4.80 percent per annum
2012	TISCO Bank	1	1	1,000	1,000	1,000	2022	4.85 percent per annum
2012	TISCO Bank	1.243	1.243	1,000	1,243	1,243	2022	4.60 percent per annum
2014	TISCO Bank	1.6	-	1,000	1,600	-	2024	6.00 percent per annum
2014	TISCO Bank	0.8	-	1,000	800	-	2024	6.00 percent per annum
Total					6,643	8,243		

3.10.2 Unsubordinated unsecured debentures

As at 30 June 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
		30 June	31 December		30 June	31 December		
		2014	2013		2014	2013		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2013	TISCO Bank	0.15	16.166	1,000	150	16,166	2014	2.80 - 3.15 percent per annum
2013	TISCO Bank	-	3	1,000	-	3,000	2014	3.15 percent per annum
2013	TISCO Bank	-	3.5	1,000	-	3,500	2014	3.15 percent per annum
2013	TISCO Bank	-	3	1,000	-	3,000	2014	3.10 percent per annum
2013	TISCO Bank	-	2.6	1,000	-	2,600	2014	3.05 percent per annum
2013	TISCO Bank	0.3	0.3	1,000	300	300	2014	3.10 percent per annum
2014	TISCO Bank	33.439	-	1,000	33,439	-	2014	2.55 - 2.87 percent per annum
Total					33,889	28,566		

3.10.3 Unsubordinated guaranteed debentures

As at 30 June 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
		30 June	31 December		30 June	31 December		
		2014	2013		2014	2013		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2013	TISCO Tokyo Leasing Co., Ltd.	0.35	0.35	1,000	350	350	2015	3.88 percent per annum
2013	TISCO Tokyo Leasing Co., Ltd.	0.65	0.65	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 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, as at 30 June 2014 and 31 December 2013 was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	251,556	242,830
Current service cost	11,625	18,889
Interest cost	5,900	9,150
Benefits paid during the period/year	(835)	(6,258)
Actuarial (gains) losses	27,696	(13,055)
Defined post employment benefit obligation at end of period/year	295,942	251,556
Other long-term benefits	84,155	82,983
Total provisions for long-term employee benefits at end of period/year	380,097	334,539

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 June 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	60,290	59,889
Current service cost	2,069	3,542
Interest cost	1,351	2,212
Benefits paid during the period/year	-	(1,684)
Actuarial (gains) losses	5,210	(3,670)
Defined post employment benefit obligation at end of period/year	68,920	60,289
Other long-term benefits	12,302	11,547
Total provisions for long-term employee benefits at end of period/year	81,222	71,836

(Unaudited but reviewed)

Long-term employee benefit expenses included in the profit or loss for the three-month and six-month periods ended 30 June 2014 and 2013 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Current service cost	10,136	4,367	17,887	11,891
Interest cost	4,090	2,032	7,280	4,806
Actuarial (gains) losses	1,225	(19,138)	1,225	(19,138)
Total employee benefits expenses	<u>15,451</u>	<u>(12,739)</u>	<u>26,392</u>	<u>(2,441)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Current service cost	1,593	986	2,811	2,181
Interest cost	859	634	1,553	1,162
Actuarial (gains) losses	918	(2,883)	918	(2,883)
Total employee benefits expenses	<u>3,370</u>	<u>(1,263)</u>	<u>5,282</u>	<u>460</u>

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial		Separate financial	
	statements		statements	
	2014	2013	2014	2013
Discount rate	2.36 - 4.55	2.36 - 4.64	2.36 - 4.54	2.36 - 4.64
Average salary increase rate	4.49	3.80	4.49	3.80
Average inflation rate	2.49	2.92	2.49	2.92

3.12 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Payable to clearing house	343,743	298,874	-	-
Withholding income tax and other tax payables	271,116	315,964	8,136	44,506
Accrued insurance premium	501,503	819,656	-	-
Deferred income	1,062,026	950,012	-	-
Accrued expenses	2,929,045	2,438,450	1,146,663	977,292
Suspense creditors	342,423	583,941	-	-
Other payables	85,677	95,479	-	-
Other liabilities	253,978	268,105	64	65
Total other liabilities	5,789,511	5,770,481	1,154,863	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 30 June 2014 and 31 December 2013, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 417 million and Baht 408 million, respectively (the Company only: Baht 234 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 30 June 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	
	30 June 2014	31 December 2013
<u>Common Equity Tier I capital</u>		
Issued and fully paid up share capital	9,215,676	8,191,712
Premium on share capital	2,543,024	1,120,738
Statutory reserve	984,000	984,000
Net profits after appropriation	9,031,406	7,943,322
Other components of shareholders' equity	3,741	-
Less: Deficit provision according to IRB	(153,410)	(620,222)
Total Common Equity Tier I capital	21,624,437	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	21,624,438	17,619,550
<u>Tier II capital</u>		
Long-term subordinated debentures	6,643,000	7,518,700
Reserve for loans classified as pass	630,050	608,075
Total Tier II capital	7,273,050	8,126,775
Total capital funds	28,897,488	25,746,325

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2014		31 December 2013	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	11.54	4.50	9.15	4.50
Tier I capital to risk assets	11.54	6.00	9.15	6.00
Total capital to risk assets	15.42	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 and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
	Interbank and money market items	162,747	245,870	399,023
Investments in debt securities	114,553	46,117	220,476	87,788
Loans to customers	1,543,936	1,447,089	3,060,955	2,791,762
Hire purchase and financial lease income	3,036,592	3,026,980	6,175,646	5,892,361
Total interest income	4,857,828	4,766,056	9,856,100	9,233,021

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
	Interbank and money market items	11,293	9,787	15,985
Investments in debt securities	28,954	40,704	61,394	78,189
Total interest income	40,247	50,491	77,379	92,504

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Deposits	1,600,503	1,833,391	3,408,774	3,564,332
Interbank and money market items	99,692	117,485	209,414	216,227
Contribution fee to the Deposit Protection Agency and Bank of Thailand	328,183	309,937	670,236	593,892
Issued debt instruments				
- Subordinated debentures	119,038	108,123	247,670	215,057
- Unsubordinated debentures	222,244	57,927	477,905	94,987
Borrowings	64,935	110,184	113,018	216,169
Total interest expenses	<u>2,434,595</u>	<u>2,537,047</u>	<u>5,127,017</u>	<u>4,900,664</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Interbank and money market items	-	-	-	322
Borrowings	63,747	63,574	110,517	114,259
Total interest expenses	<u>63,747</u>	<u>63,574</u>	<u>110,517</u>	<u>114,581</u>

3.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Fee and service income				
- Acceptance, aval and guarantees	949	1,229	5,671	3,966
- Insurance service	643,971	555,754	1,326,402	1,381,135
- Brokerage fees	201,402	305,342	367,549	668,291
- Fund management	209,779	186,708	395,293	388,277
- Financial advisory	3,950	1,850	9,801	5,650
- Others	239,309	217,269	478,365	460,025
Total fee and service income	1,299,360	1,268,152	2,583,081	2,907,344
Fee and service expenses				
- Information service expenses	(6,614)	(5,574)	(13,186)	(11,689)
- Others	(41,168)	(53,023)	(83,080)	(113,213)
Total fee and service expenses	(47,782)	(58,597)	(96,266)	(124,902)
Net fee and service income	1,251,578	1,209,555	2,486,815	2,782,442

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Fee and service income	-	-	-	-
Fee and service expenses				
- Others	(5,771)	(3,392)	(8,352)	(5,678)
Total fee and service expenses	(5,771)	(3,392)	(8,352)	(5,678)
Net fee and service income	(5,771)	(3,392)	(8,352)	(5,678)

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 and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	14,999	52,840	17,062	19,156
- Derivatives on interest rates	(6,070)	15,424	(2,480)	11,616
- Debt securities	3,843	1,504	5,742	3,594
- Equity securities	1	(1)	1	(1)
- Others	(6)	-	(6)	(6)
Net gains on trading and foreign exchange transactions	<u>12,767</u>	<u>69,767</u>	<u>20,319</u>	<u>34,359</u>

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies	595	47,624	(9,189)	12,767
Net gains (losses) on trading and foreign exchange transactions	<u>595</u>	<u>47,624</u>	<u>(9,189)</u>	<u>12,767</u>

3.18 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Gains on disposal				
- Available-for-sale investment	11,656	79,308	10,855	234,155
- Held-to-maturity debt securities	3	43	17	116
- General investments	3,590	8,373	9,514	19,530
Total	15,249	87,724	20,386	253,801
Losses on impairment				
- General investments	(1,409)	(1,005)	(1,206)	(1,005)
Total	(1,409)	(1,005)	(1,206)	(1,005)
Net gains on investments	13,840	86,719	19,180	252,796

3.19 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Interbank and money market items	(10,000)	(21,000)	(5,000)	4,000
Held-to-maturity debt securities	(22)	(1,666)	(1)	(1,572)
Loans to customers	1,229,584	832,800	2,400,322	1,747,798
Total	1,219,562	810,134	2,395,321	1,750,226

3.20 Other operating income

Other operating income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Gains on disposal of property foreclosed	5,346	-	13,955	-
Rental income	7,003	7,448	14,305	14,679
Others	8,593	4,633	11,989	10,463
Total	20,942	12,081	40,249	25,142

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Rental income	15,826	16,447	32,115	32,829
Others	551	141	983	449
Total	16,377	16,588	33,098	33,278

3.21 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
Mailing expenses	13,411	13,547	30,521	28,996
Software amortisation expenses	14,804	15,106	29,372	31,320
Legal expenses	62,088	44,349	122,573	80,513
Transportation expenses	25,716	23,391	52,020	46,656
Others	108,798	60,552	199,047	140,332
Total	224,817	156,945	433,533	327,817

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2014	2013	2014	2013
	(Restated)		(Restated)	
Mailing expenses	96	204	422	215
Software amortisation expenses	7,491	5,225	14,119	11,310
Transportation expenses	1,956	2,176	3,935	4,232
Others	22,632	6,375	38,905	10,060
Total	32,175	13,980	57,381	25,817

3.22 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Current income tax:				
Income tax expenses for the periods	283,023	231,967	608,373	557,969
Adjustment in respect of current income tax of previous year	-	(2,975)	-	(16)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(37,090)	74,194	(125,254)	29,659
Income tax expenses reported in statements of comprehensive income	245,933	303,186	483,119	587,612

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
		(Restated)		(Restated)
Current income tax:				
Income tax expenses for the periods	19,985	24,995	39,683	33,149
Adjustment in respect of current income tax of previous year	-	-	-	(950)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	150	1,261	664	8,288
Income tax expenses reported in the statements of comprehensive income	20,135	26,256	40,347	40,487

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2014	2013	2014	2013
Other comprehensive income				
Gains on translation adjustment in foreign operations	-	2,641	-	688
Available-for-sale investments:				
Gains (losses) during the periods	85,926	(240,801)	111,366	(147,952)
Less: Reclassification adjustments for gains included in profit or loss	(11,656)	(79,308)	(10,855)	(234,155)
	74,270	(320,109)	100,511	(382,107)
Actuarial gains (losses)	(27,696)	7,785	(27,696)	7,785
Cash flow hedges:				
Gains (losses) during the periods	243	(31,901)	3,148	(6,899)
Add: Reclassification adjustments for losses included in profit or loss	2,760	-	6,328	-
	3,003	(31,901)	9,476	(6,899)
Other comprehensive income	49,577	(341,584)	82,291	(380,533)
Income tax relating to components of other comprehensive income	(9,939)	71,433	(16,482)	73,850
Net other comprehensive income for the periods	39,638	(270,151)	65,809	(306,683)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the periods	27,304	(137,332)	10,230	(172,088)
Actuarial gains (losses)	(5,210)	5,112	(5,210)	5,112
Other comprehensive income	22,094	(132,220)	5,020	(166,976)
Income tax relating to components of other comprehensive income	(4,419)	26,444	(1,004)	33,395
Net other comprehensive income for the periods	17,675	(105,776)	4,016	(133,581)

3.24 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 30 June					
	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	74,270	(14,854)	59,416	(320,109)	66,606	(253,503)
Actuarial gains (losses)	(27,696)	5,516	(22,180)	7,785	(1,553)	6,232
Cash flow hedges	3,003	(601)	2,402	(31,901)	6,380	(25,521)
	49,577	(9,939)	39,638	(344,225)	71,433	(272,792)

(Unit: Thousand Baht)

Consolidated financial statements						
For the six-month periods ended 30 June						
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	100,511	(20,103)	80,408	(382,107)	74,023	(308,084)
Actuarial gains (losses)	(27,696)	5,516	(22,180)	7,785	(1,553)	6,232
Cash flow hedges	9,476	(1,895)	7,581	(6,899)	1,380	(5,519)
	<u>82,291</u>	<u>(16,482)</u>	<u>65,809</u>	<u>(381,221)</u>	<u>73,850</u>	<u>(307,371)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 June						
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	27,304	(5,461)	21,843	(137,332)	27,466	(109,866)
Actuarial gains (losses)	(5,210)	1,042	(4,168)	5,112	(1,022)	4,090
	<u>22,094</u>	<u>(4,419)</u>	<u>17,675</u>	<u>(132,220)</u>	<u>26,444</u>	<u>(105,776)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the six-month periods ended 30 June						
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	10,230	(2,046)	8,184	(172,088)	34,417	(137,671)
Actuarial gains (losses)	(5,210)	1,042	(4,168)	5,112	(1,022)	4,090
	<u>5,020</u>	<u>(1,004)</u>	<u>4,016</u>	<u>(166,976)</u>	<u>33,395</u>	<u>(133,581)</u>

3.25 Earnings per share

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

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Profit attributable to equity holders of the Company (Thousand Baht)	991,785	1,159,138	1,926,477	2,312,641
Weighted average number of shares (Thousand shares)	800,655	730,310	800,655	729,118
Earnings per share (Baht/share)	1.24	1.59	2.41	3.17

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	79,564	101,940	157,297	163,701
Weighted average number of shares (Thousand shares)	800,655	730,310	800,655	729,118
Earnings per share (Baht/share)	0.10	0.14	0.20	0.22

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January 2014	Increase	Decrease	As at 30 June 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	(1,829,679)	171,560
Loans:				
Hi-Way Co., Ltd.	1,486,000	70,000	(15,000)	1,541,000
TISCO Leasing Co., Ltd.	2,500,000	-	(471,000)	2,029,000
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	18,343	(1,497)	90,531
TISCO Learning Center Co., Ltd.	302	1,740	(314)	1,728
Deutsche TISCO Investment Advisory Co., Ltd.	8,025	-	(150)	7,875
Other liabilities:				
TISCO Securities Co., Ltd.	1,000	-	(1,000)	-
TISCO Learning Center Co., Ltd.	128	261	-	389

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2014	2013	2014	2013	
Transactions occurred during the periods					
(Eliminated in consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	378,448	362,819	758,665	794,285	Determined on market price/terms of BOT
Interest income	40,210	50,472	77,306	92,403	With reference to the terms and prices as offered to other customers
Rental income	15,582	16,184	31,634	32,307	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	44,750	42,500	89,500	85,000	Determined on market price/terms of BOT
Interest expenses	-	166	-	601	With reference to the terms and prices as offered to other customers
Training expenses	1,497	736	2,243	989	With reference to the prices as offered from other service providers
Other expenses	975	144	1,292	144	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 June 2014	31 December 2013
Loans ⁽¹⁾	24,054	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	
	30 June 2014	31 December 2013
Deposits	184,714	212,539

Directors and management's benefits

During the three-month and six-month periods ended 30 June 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			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Short-term benefits	59	56	117	109
Post-employment benefits	2	1	3	3
Total	61	57	120	112

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2014	2013	2014	2013
Short-term benefits	36	37	72	72
Post-employment benefits	1	1	2	2
Total	37	38	74	74

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 and six-month periods ended 30 June 2014 and 2013, respectively.

(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 30 June 2014							
Revenue							
External customers	3,528	210	254	(69)	3,923	-	3,923
Inter-segment	(3)	64	-	566	627	(627)	-
Total revenue	3,525	274	254	497	4,550	(627)	3,923
Operating results:							
Net interest income	2,435	9	1	(22)	2,423	-	2,423
Net fee and service income	849	260	250	123	1,482	(230)	1,252
Other operating income	241	5	3	396	645	(397)	248
Total operating income	3,525	274	254	497	4,550	(627)	3,923
Depreciation and amortisation	(237)	(21)	(6)	(110)	(374)	122	(252)
Other operating expenses	(1,081)	(235)	(116)	(271)	(1,703)	501	(1,202)
Bad debt, doubtful accounts and impairment losses	(1,223)	-	-	-	(1,223)	3	(1,220)
Total operating expenses	(2,541)	(256)	(122)	(381)	(3,300)	626	(2,674)
Segment profit	984	18	132	116	1,250	(1)	1,249
Income tax expenses							(246)
Non-controlling interests of the subsidiaries							(11)
Profit for the period - equity holders of the Company							992

(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 six-month period ended							
30 June 2014							
Revenue							
External customers	6,965	396	472	(127)	7,706	-	7,706
Inter-segment	(15)	129	1	1,123	1,238	(1,238)	-
Total revenue	6,950	525	473	996	8,944	(1,238)	7,706
Operating results:							
Net interest income	4,736	20	4	(31)	4,729	-	4,729
Net fee and service income	1,732	487	466	244	2,929	(442)	2,487
Other operating income	482	18	3	783	1,286	(796)	490
Total operating income	6,950	525	473	996	8,944	(1,238)	7,706
Depreciation and amortisation	(461)	(41)	(12)	(222)	(736)	247	(489)
Other operating expenses	(2,167)	(428)	(223)	(547)	(3,365)	986	(2,379)
Bad debt, doubtful accounts and impairment losses	(2,393)	-	-	-	(2,393)	(2)	(2,395)
Total operating expenses	(5,021)	(469)	(235)	(769)	(6,494)	1,231	(5,263)
Segment profit	1,929	56	238	227	2,450	(7)	2,443
Income tax expenses							(483)
Non-controlling interests of the subsidiaries							(34)
Profit for the period - equity holders of the Company							1,926

(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							
30 June 2013							
Revenue							
External customers	3,324	400	201	(22)	3,903	-	3,903
Inter-segment	(22)	106	-	556	640	(640)	-
Total revenue	3,302	506	201	534	4,543	(640)	3,903
Operating results:							
Net interest income	2,231	9	1	(12)	2,229	-	2,229
Net fee and service income	736	399	197	118	1,450	(240)	1,210
Other operating income	335	98	3	428	864	(400)	464
Total operating income	3,302	506	201	534	4,543	(640)	3,903
Depreciation and amortisation	(219)	(23)	(7)	(109)	(358)	119	(239)
Other operating expenses	(1,120)	(318)	(126)	(305)	(1,869)	505	(1,364)
Bad debt, doubtful accounts and impairment losses	(810)	-	-	-	(810)	-	(810)
Total operating expenses	(2,149)	(341)	(133)	(414)	(3,037)	624	(2,413)
Segment profit	1,153	165	68	120	1,506	(16)	1,490
Income tax expenses							(304)
Non-controlling interests of the subsidiaries							(27)
Profit for the period - equity holders of the Company							1,159

(Unaudited but reviewed)

(Unit: Million Baht)

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

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 June 2014 and 31 December 2013:

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
Total segment assets							
As at 30 June 2014	323,608	3,990	641	25,911	354,150	(24,661)	329,489
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	
	30 June 2014	31 December 2013
Avals	192,105	42,552
Other guarantees	547,852	753,815
Undrawn client overdraft facilities	40,125	54,041
Interest rate swap agreements	900,000	2,274,303
Cross currency swap agreements	3,486,742	3,658,515
Total	5,166,824	6,783,226

3.28.2 Litigation

As at 30 June 2014 and 31 December 2013, the subsidiaries have been sued for compensation totaling approximately Baht 346 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 30 June 2014 and 31 December 2013, the subsidiary companies have future minimum lease payments required under these non-cancellable operating leases contracts as follows:

(Unit: Million Baht)

	As at	
	30 June 2014	31 December 2013
Payable within:		
Not over 1 year	121	133
Over 1 to 5 years	118	101
Over 5 years	63	5

4. Dividend paid

	Approved by	Dividend per share		Amounts of	Dividend
		Preference share	Ordinary share	dividend	payment
		(Baht per share)	(Baht per share)	paid	period
Annual dividends for 2012	The 2013 Annual General Meeting of the Shareholders on 25 April 2013	2.40	2.40	1,746	May 2013
Total dividend payment in year 2013				<u>1,746</u>	
Annual dividends for 2013	The 2014 Annual General Meeting of the Shareholders on 22 April 2014	2.00	2.00	1,601	May 2014
Total dividend payment in year 2014				<u><u>1,601</u></u>	

5. Significant event during the period**5.1 Increase of the subsidiary's registered capital**

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 preference 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.

On 5 June 2014, the Bank registered the increase in its registered share capital with the Ministry of Commerce.

6. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 8 August 2014.