

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, the related consolidated statement of changes in shareholders' equity, and cash flows for the nine-month period then ended as well as the condensed notes to the consolidated financial statements, and 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 review.

Scope of Review

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



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Conclusion

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 10 November 2014

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	1,012,430	1,131,004	70	70
Interbank and money market items - net	29,439,866	53,241,962	817,919	510,072
Derivatives assets	3.2 41,892	32,857	-	-
Investments - net	3.3, 3.7 11,971,599	11,489,596	749,069	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	300,038,858	320,767,368	3,376,200	3,986,000
Accrued interest receivables	424,811	535,851	-	-
Total loans to customers and accrued interest receivables	300,463,669	321,303,219	3,376,200	3,986,000
Less: Deferred revenue	(25,260,065)	(28,616,716)	-	-
Less: Allowance for doubtful accounts	3.6 (6,843,477)	(6,354,337)	-	-
Loans to customers and accrued interest receivables - net	268,360,127	286,332,166	3,376,200	3,986,000
Property foreclosed - net	112,247	124,757	-	-
Investment properties	16,856	16,856	778,245	783,170
Premises and equipment - net	2,526,870	2,511,745	645,039	629,039
Intangible assets - net	342,663	111,964	95,628	56,952
Deferred tax assets	298,249	245,383	108,836	108,845
Securities and derivatives business receivables - net	1,807,375	1,546,662	-	-
Dividend receivable from subsidiaries	-	-	-	1,457,244
Other assets	3.8 1,728,041	2,477,567	147,724	155,560
Total assets	317,658,215	359,262,519	26,088,759	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 September 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	207,074,896	264,640,753	-	-
Interbank and money market items - net		18,132,990	16,702,692	-	-
Liability payable on demand		426,048	344,864	-	-
Derivatives liabilities	3.2	14,098	315,668	-	-
Debts issued and borrowings	3.10	57,758,619	44,083,619	8,127,000	6,128,000
Provision for long-term employee benefits	3.11	380,405	334,539	82,010	71,836
Deferred tax liabilities		85,582	159,797	-	-
Securities and derivatives business payables - net		1,672,864	1,511,017	-	-
Accrued interest payables		1,567,393	1,710,574	58,775	36,756
Income tax payable		292,601	470,457	4,073	73,364
Other liabilities	3.12	5,334,773	5,770,481	1,153,896	1,021,863
Total liabilities		292,740,269	336,044,461	9,425,754	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 September 2014

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	30 September 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Shareholders' equity				
Share capital				
Registered				
	339	339	339	339
33,858 preference shares of Baht 10 each				
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
33,558 preference shares of Baht 10 each (31 December 2013: 33,858 shares of Baht 10 each)	336	339	336	339
800,621,925 ordinary shares of Baht 10 each (31 December 2013: 800,621,625 shares of Baht 10 each)	8,006,219	8,006,216	8,006,219	8,006,216
	8,006,555	8,006,555	8,006,555	8,006,555
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
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of shareholders' equity				
	1,810,638	1,570,190	154,502	158,104
Retained earnings				
Appropriated-statutory reserve	496,200	496,200	496,200	496,200
Unappropriated	13,296,407	11,895,567	974,225	2,350,582
Equity attributable to owners of the Company	24,628,208	22,986,920	16,663,005	18,042,964
Non-controlling interests of the subsidiaries	289,738	231,138	-	-
Total shareholders' equity	<u>24,917,946</u>	<u>23,218,058</u>	<u>16,663,005</u>	<u>18,042,964</u>
Total liabilities and shareholders' equity	<u>317,658,215</u>	<u>359,262,519</u>	<u>26,088,759</u>	<u>25,374,783</u>

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



Mrs. Oranuch Apisaksirikul

(Group Chief Executive, TISCO Group)



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



(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 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	4,756,515	4,943,539	31,376	42,731
Interest expenses	3.15	(2,254,637)	(2,626,854)	(60,883)	(56,962)
Net interest income		2,501,878	2,316,685	(29,507)	(14,231)
Fee and service income		1,330,255	1,275,470	-	-
Fee and service expenses		(57,414)	(53,881)	(7,468)	(4,191)
Net fee and service income	3.16	1,272,841	1,221,589	(7,468)	(4,191)
Net gains (losses) on trading and foreign exchange transactions	3.17	2,517	(3,050)	(2,606)	6,999
Net gains on investments	3.18	96,012	14,383	-	-
Dividend income		19,048	20,281	-	-
Penalty fee income from loans		88,437	73,381	-	-
Income from business promotion relating to					
the hire purchase business		74,477	123,355	-	-
Intercompany supporting fee income	3.26	-	-	375,651	440,356
Other operating income	3.20, 3.26	23,208	30,359	16,588	17,476
Total operating income		4,078,418	3,796,983	352,658	446,409
Expenses from business promotion relating to					
the hire purchase business		82,615	162,237	-	-
Total net operating income		3,995,803	3,634,746	352,658	446,409
Operating expenses					
Employee's expenses		942,161	927,231	135,582	242,091
Directors' remuneration		3,375	3,345	3,375	3,265
Premises and equipment expenses		233,160	228,408	88,087	86,368
Taxes and duties		56,549	55,570	2	2
Other operating expenses	3.21	225,939	186,678	36,757	24,098
Total operating expenses		1,461,184	1,401,232	263,803	355,824
Bad debt, doubtful accounts and impairment losses	3.19	1,148,598	777,892	-	-
Profit from operation before income tax expenses		1,386,021	1,455,622	88,855	90,585
Income tax expenses	3.22	276,775	292,725	18,174	19,264
Profit for the period		1,109,246	1,162,897	70,681	71,321

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 September 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		-	381	-	-
Gains (losses) on valuation in available-for-sale investments		204,514	39,366	(13,324)	77,423
Actuarial gains		3,081	-	-	-
Cash flow hedges		604	(10,526)	-	-
Income tax effect	3.23, 3.24	(41,639)	(5,768)	2,665	(15,484)
Other comprehensive income for the period		<u>166,560</u>	<u>23,453</u>	<u>(10,659)</u>	<u>61,939</u>
Total comprehensive income for the period		<u>1,275,806</u>	<u>1,186,350</u>	<u>60,022</u>	<u>133,260</u>
Profit attributable to					
Equity holders of the Company	3.25	1,088,964	1,131,997	<u>70,681</u>	<u>71,321</u>
Non-controlling interests of the subsidiaries		<u>20,282</u>	<u>30,900</u>		
		<u>1,109,246</u>	<u>1,162,897</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,254,561	1,159,745	<u>60,022</u>	<u>133,260</u>
Non-controlling interests of the subsidiaries		<u>21,245</u>	<u>26,605</u>		
		<u>1,275,806</u>	<u>1,186,350</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	<u>1.36</u>	<u>1.40</u>	<u>0.08</u>	<u>0.09</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 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	14,612,615	14,176,560	108,755	135,235
Interest expenses	3.15	(7,381,654)	(7,527,517)	(171,401)	(171,543)
Net interest income		7,230,961	6,649,043	(62,646)	(36,308)
Fee and service income		3,913,335	4,182,814	-	-
Fee and service expenses		(153,680)	(178,783)	(15,820)	(9,869)
Net fee and service income	3.16	3,759,655	4,004,031	(15,820)	(9,869)
Net gains (losses) on trading and foreign exchange transactions	3.17	22,836	31,309	(11,795)	19,766
Net gains on investments	3.18	115,193	267,179	-	-
Dividend income		96,470	99,144	-	2,205
Penalty fee income from loans		256,693	211,352	-	-
Income from business promotion relating to					
the hire purchase business		239,525	637,119	-	-
Intercompany supporting fee income	3.26	-	-	1,134,316	1,234,642
Other operating income	3.20, 3.26	63,457	55,501	49,687	50,754
Total operating income		11,784,790	11,954,678	1,093,742	1,261,190
Expenses from business promotion relating to					
the hire purchase business		271,358	770,338	-	-
Total net operating income		11,513,432	11,184,340	1,093,742	1,261,190
Operating expenses					
Employee's expenses		2,609,912	2,870,346	447,195	650,446
Directors' remuneration		9,855	9,765	9,855	9,285
Premises and equipment expenses		692,727	680,686	254,341	255,154
Taxes and duties		168,433	159,685	1,713	1,616
Other operating expenses	3.21	659,476	514,500	94,139	49,917
Total operating expenses		4,140,403	4,234,982	807,243	966,418
Bad debt, doubtful accounts and impairment losses	3.19	3,543,919	2,528,117	-	-
Profit from operation before income tax expenses		3,829,110	4,421,241	286,499	294,772
Income tax expenses	3.22	759,893	880,337	58,521	59,751
Profit for the period		3,069,217	3,540,904	227,978	235,021

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the nine-month period ended 30 September 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		-	1,069	-	-
Gains (losses) on valuation in available-for-sale investments		305,025	(342,741)	(3,093)	(94,664)
Actuarial gains (losses)		(24,615)	7,785	(5,210)	5,112
Cash flow hedges		10,080	(17,425)	-	-
Income tax effect	3.23, 3.24	(58,121)	68,082	1,660	17,910
Other comprehensive income for the period		<u>232,369</u>	<u>(283,230)</u>	<u>(6,643)</u>	<u>(71,642)</u>
Total comprehensive income for the period		<u>3,301,586</u>	<u>3,257,674</u>	<u>221,335</u>	<u>163,379</u>
Profit attributable to					
Equity holders of the Company	3.25	3,015,441	3,444,638	<u>227,978</u>	<u>235,021</u>
Non-controlling interests of the subsidiaries		<u>53,776</u>	<u>96,266</u>		
		<u>3,069,217</u>	<u>3,540,904</u>		
Total comprehensive income attributable to					
Equity holders of the Company		3,242,582	3,169,568	<u>221,335</u>	<u>163,379</u>
Non-controlling interests of the subsidiaries		<u>59,004</u>	<u>88,106</u>		
		<u>3,301,586</u>	<u>3,257,674</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.25	<u>3.77</u>	<u>4.57</u>	<u>0.28</u>	<u>0.31</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013 (Restated)
Cash flows from operating activities				
Profit before income tax	3,829,110	4,421,241	286,499	294,772
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	190,968	223,627	55,308	63,716
Bad debts and doubtful accounts	4,357,270	3,168,709	-	-
Reversal of allowance for impairment of investments	(9,579)	(3,293)	-	-
Allowance for impairment of property foreclosed (reversal)	(6)	52	-	-
Gain on disposal of investments in securities	(114,325)	(265,267)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	20,535	(13,570)	11,795	(19,766)
Gain on disposal of equipment	(5,827)	(4,967)	(216)	(925)
Loss on written-off of equipment	1,711	-	-	-
Loss on written-off of intangible assets	53	-	-	-
Unrealised loss from trading securities	-	3	-	-
Gain on disposal of property foreclosed	(22,439)	(7,809)	-	-
Employee benefit expenses	38,871	9,183	7,464	2,132
(Increase) decrease in accrued income	(34,788)	74,682	3,120	(7,221)
Increase in accrued expenses	352,138	867,621	167,593	471,186
Net interest income	(7,230,961)	(6,649,043)	62,646	36,308
Dividend income	(96,470)	(99,144)	-	(2,205)
Cash received on interest income	14,568,126	13,997,494	108,919	134,888
Cash paid on interest expenses	(6,541,949)	(6,203,480)	(149,382)	(154,789)
Cash received on dividend income	95,670	95,144	1,457,244	1,834,859
Cash paid on income tax expenses	(1,123,980)	(719,558)	(126,141)	(110,516)
Profit from operating activities before changes in operating assets and liabilities	8,274,128	8,891,625	1,884,849	2,542,439
Operating assets (increase) decrease				
Interbank and money market items	23,799,265	(10,392,313)	(307,847)	(110,293)
Loans to customers	10,882,233	(40,878,973)	609,800	(194,000)
Securities and derivative business receivables	(260,713)	628,027	-	-
Receivables from clearing house	237,649	105,008	-	-
Properties foreclosed	2,341,479	2,055,206	-	-
Other assets	540,404	287,211	4,551	-46,272
Operating liabilities increase (decrease)				
Deposits	(57,565,857)	37,393,190	-	-
Interbank and money market items	1,439,425	1,238,515	-	(200,000)
Liability payable on demand	81,184	(202,272)	-	-
Securities and derivative business payables	161,847	(447,982)	-	-
Short-term debts issued and borrowings	15,275,000	4,875,979	1,999,000	16,279
Payable to clearing house	(143,019)	(309,988)	-	-
Provision for long-term employee benefits	(17,620)	(16,282)	(2,501)	(1,856)
Other liabilities	(1,462,041)	(876,907)	(35,560)	(50,352)
Net cash flows from operating activities	3,583,364	2,350,044	4,152,292	1,955,945

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 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	(21,532,362)	(9,077,621)	-	-
Cash received from disposal of investment in securities held for investment	21,467,000	6,044,863	-	-
Cash paid for purchase of equipment	(176,774)	(167,400)	(44,664)	(21,798)
Cash paid for purchase of intangible assets	(264,375)	(42,538)	(60,435)	(33,451)
Cash received from disposal of equipment	5,867	18,050	256	1,307
Cash paid for acquisition of a subsidiary	-	-	(2,446,155)	(1,901,980)
Net cash flows used in investing activities	(500,644)	(3,224,646)	(2,550,998)	(1,955,922)
Cash flows from financing activities				
Long-term debts issued and borrowings	-	(19,700)	-	-
Cash received from issuance of long-term debentures	2,400,000	1,000,000	-	-
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 from (used in) financing activities	(3,201,294)	980,297	(1,601,294)	(3)
Exchange differences on translation of financial statements	-	1,069	-	-
Net increase (decrease) in cash	(118,574)	106,764	-	20
Cash at beginning of period	1,131,004	1,046,330	70	50
Cash at end of period	1,012,430	1,153,094	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

For the nine-month period ended 30 September 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		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		of entities under common control under holding restructuring plan	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
Increase ordinary share capital		-	727,434	1,018,408	-	-	-	-	-	-	-	-	1,745,842	-	1,745,842
Dividend paid	4	-	-	-	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)	-	(1,745,845)
Total comprehensive income for the period		-	-	-	(276,590)	-	(6,831)	1,069	-	(282,352)	-	3,451,920	3,169,568	88,106	3,257,674
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(4,822)	(4,822)
Balance as at 30 September 2013		339	8,006,216	1,018,408	1,817	-	(5,924)	82,864	679,266	758,023	405,200	11,177,740	21,365,926	267,173	21,633,099
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		-	-	-	244,021	-	3,951	-	-	247,972	-	2,994,610	3,242,582	59,004	3,301,586
Transferred surplus on revaluation of assets to retained earnings		-	-	-	-	(7,524)	-	-	-	(7,524)	-	7,524	-	-	-
Preference shares converted to ordinary shares		(3)	3	-	-	-	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(404)	(404)
Balance as at 30 September 2014		336	8,006,219	1,018,408	201,993	933,375	(3,996)	-	679,266	1,810,638	496,200	13,296,407	24,628,208	289,738	24,917,946

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 nine-month period ended 30 September 2014

(Unit: Thousand Baht)

Note	Separate financial statements									
	Issued and paid-up				Other components of shareholders' equity			Retained earnings		Total
	Preference		Ordinary		Share premium	Surplus (deficit) on	Surplus on	Total other	Appropriated	
	shares	shares	shares	shares	valuation in	revaluation of	components	of shareholders' equity		
					available-for-sale	assets	of shareholders'			
					investments		equity			
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
Increase ordinary share capital	-	727,434	-	1,018,408	-	-	-	-	-	1,745,842
Dividend paid	4	-	-	-	-	-	-	-	(1,745,845)	(1,745,845)
Total comprehensive income for the period - restated	-	-	-	-	(75,731)	-	(75,731)	-	239,110	163,379
Balance as at 30 September 2013	<u>339</u>	<u>8,006,216</u>	<u>298</u>	<u>7,031,225</u>	<u>(64,160)</u>	<u>-</u>	<u>(64,160)</u>	<u>405,200</u>	<u>526,086</u>	<u>15,905,204</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	-	-	-	-	(2,475)	-	(2,475)	-	223,810	221,335
Transferred surplus on revaluation of assets										
to retained earnings	-	-	-	-	-	(1,127)	(1,127)	-	1,127	-
Preference shares converted to ordinary shares	(3)	3	(3)	3	-	-	-	-	-	-
Balance as at 30 September 2014	<u>336</u>	<u>8,006,219</u>	<u>295</u>	<u>7,031,228</u>	<u>(75,367)</u>	<u>229,869</u>	<u>154,502</u>	<u>496,200</u>	<u>974,225</u>	<u>16,663,005</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2014

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

1.1 Basis of preparation of interim financial statements

These interim financial statements 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 subsidiaries.

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 their 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 estimated of useful lives of the assets determined 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 0.0421 per share and Baht 0.0035 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 nine-month period ended	
	30 September 2014		30 September 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase in profit after tax	8	1	25	2
Increase in basic earnings per share	0.0106	0.0009	0.0315	0.0026

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 0.0276 per share and increase basic earnings per share by Baht 0.0006 per share, respectively. The changes were the result of increasing value of the asset base used for determining depreciation to fair value. In addition, the changes have 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 nine-month period ended	
	30 September 2014		30 September 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase (decrease) in profit after tax	(6)	0.1	(16)	0.3
Increase (decrease) in basic earnings per share	(0.0071)	0.0001	(0.0205)	0.0005

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 0.0145 per share and Baht 0.0041 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 nine-month period ended	
	30 September 2014		30 September 2014	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Increase in profit after tax	3	1	9	2
Increase in basic earnings per share	0.0035	0.0010	0.0110	0.0031

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, except earnings per share expressed in Baht)

	For the three-month period ended		For the nine-month period ended	
	30 September 2013		30 September 2013	
	Consolidated	Separate	Consolidated	Separate
	financial	financial	financial	financial
	statement	statement	statement	statement
Statement of comprehensive income				
Profit or loss:				
Decrease in depreciation	-	3,339	-	9,909
Increase in income tax expenses	-	668	-	1,982
Increase in profit for the period	-	2,671	-	7,927
Increase in basic earnings per share	-	0.003	-	0.011

The effect of change in accounting policy on the consolidated financial statements for the three-month and nine-month periods ended 30 September 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 nine-month periods ended 30 September 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 September 2014 and 31 December 2013 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			30 September 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:

Type of risk	(Unit: Thousand Baht)					
	Consolidated financial statements as at					
	30 September 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	41,892	-	3,237,325	-	310,945	3,315,434
Interest rate	-	10,933	1,200,000	28,220	-	2,274,303
Total	41,892	10,933	4,437,325	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 September 2014			31 December 2013		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	3,165	210,325	4,637	4,723	343,081
Total	-	3,165	210,325	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 September 2014	31 December 2013
Available-for-sale investments - fair value		
Government and state enterprise securities	8,701,882	5,637,810
Private sector debt securities	1,108,095	938,819
Domestic marketable equity securities	936,805	658,492
Other securities - domestic unit trusts	28,018	27,604
Other securities - foreign unit trusts	749,069	763,957
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	11,522,409	8,025,222
Held-to-maturity debt securities - cost/amortised cost		
Government and state enterprise securities	-	3,000,000
Investment in receivables	18,134	33,872
Less: Allowance for impairment	(17,526)	(17,722)
Total held-to-maturity debt securities	608	3,016,150
General investments - cost		
Domestic non-marketable equity securities	493,543	494,053
Less: Allowance for impairment	(44,961)	(45,829)
Total general investments	448,582	448,224
Investments - net	11,971,599	11,489,596

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2014	31 December 2013
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	749,069	763,957

In August 2014, TISCO Bank reclassified part of its investment portfolio, transferring certain long-term held-to-maturity debt securities to short-term available-for-sale securities at the fair value at the transfer date, to bring them in line with the Bank's liquidity management strategy. The amortised cost of the transferred debt securities at the transfer date was approximately Baht 3,001 million. TISCO Bank recorded the difference between this amortised cost and the fair value, amounting to Baht 73 million, as unrealised gain on transfer of investment portfolio and presented it under shareholders' equity in the statement of financial position. TISCO Bank disposed of Baht 2,801 million of these investments, with a realised gain of Baht 68 million. The balance of unrealised gain as at 30 September 2014 was Baht 5 million.

3.3.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 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	7,569	1,133	-	8,702	5,435	203	-	5,638
Private sector debt securities	1	1,107	-	1,108	31	907	-	938
Total	7,570	2,240	-	9,810	5,466	1,110	-	6,576
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	7,569	2,240	-	9,809	5,465	1,110	-	6,575
Held-to-maturity debt securities								
Government and state enterprise securities	-	-	-	-	-	3,000	-	3,000
Investment in receivables	13	5	-	18	32	2	-	34
Less: Allowance for impairment	(12)	(5)	-	(17)	(18)	-	-	(18)
Total	1	-	-	1	14	3,002	-	3,016
Total debt securities	7,570	2,240	-	9,810	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 September 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

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 September 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.

(Unaudited but reviewed)

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 September 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) Co., 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.	4,110	-	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 nine-month periods ended	
		30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	30 September 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 September 2014	31 December 2013
Loans to customers		
Loans	76,532,387	80,719,897
Hire purchase receivables	214,476,277	232,863,826
Financial lease receivables	9,884,991	7,996,365
Less: Deferred revenue	(25,260,065)	(28,616,716)
Advances received from financial lease receivables	(854,797)	(812,720)
Total loans to customers	274,778,793	292,150,652
Add: Accrued interest receivables	424,811	535,851
Less: Allowance for doubtful accounts	(6,843,477)	(6,354,337)
Loans to customers and accrued interest receivables - net	<u>268,360,127</u>	<u>286,332,166</u>

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2014	31 December 2013
Loans to customers		
Loans	3,376,200	3,986,000
Loans to customers and accrued interest receivables - net	<u>3,376,200</u>	<u>3,986,000</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	271,541,463	-	271,541,463	288,869,292	-	288,869,292
US Dollars	-	3,237,330	3,237,330	-	3,281,360	3,281,360
Total loans to customers net of deferred revenue	<u>271,541,463</u>	<u>3,237,330</u>	<u>274,778,793</u>	<u>288,869,292</u>	<u>3,281,360</u>	<u>292,150,652</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2014			31 December 2013		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	3,376,200	-	3,376,200	3,986,000	-	3,986,000
Total loans to customers net of deferred revenue	<u>3,376,200</u>	<u>-</u>	<u>3,376,200</u>	<u>3,986,000</u>	<u>-</u>	<u>3,986,000</u>

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

(Unit: Million Baht)

	As at					
	30 September 2014			31 December 2013		
	Net amount		Allowance for doubtful accounts ^{(1) (2)}	Net amount		Allowance for doubtful accounts ^{(1) (2)}
Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Loans to customers and accrued interest receivables		used for setting the allowance for doubtful accounts		
Provision under BOT's guideline						
- Pass	239,633	212,465	3,227	259,595	235,950	3,259
- Special mention	17,713	17,457	1,003	17,466	17,189	1,121
- Sub-standard	3,409	3,363	1,086	3,086	3,083	944
- Doubtful	1,895	1,882	565	996	988	279
- Doubtful of loss	305	255	100	176	107	63
Allowance established in excess	-	-	266	-	-	109
Total	262,955	235,422	6,247	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 September 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 2,769 million (As at 31 December 2013: total of Baht 2,345 million). TISCO Bank allocated Baht 2,503 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 3,478 million (As at 31 December 2013: total of Baht 3,430 million), the total provision set aside in accordance with BOT requirements is Baht 5,981 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 September 2014	31 December 2013	30 September 2014	31 December 2013
Pass	0.60	0.58	1	1
Special mention	3.90	4.67	2	2
Sub-standard	22.87	22.95	100	100
Doubtful	23.05	23.13	100	100
Doubtful of loss	22.85	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 September 2014, receivables of the subsidiary companies under hire purchase and financial lease agreements amount to Baht 198,475 million (31 December 2013: Baht 211,656 million) and mostly comprise hire purchase agreements for vehicles, and financial lease agreements for vehicles, machines and equipment for business operation. The terms of the agreements are generally between 1 to 12 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 September 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	69,756	141,812	4,981	7,812	224,361
Less: Deferred revenue*	(9,942)	(12,912)	(61)	(2,116)	(25,031)
Advances received from financial lease receivables	(86)	(768)	-	(1)	(855)
Present value of minimum lease pay from agreements	59,728	128,132	4,920	5,695	198,475
Allowance for doubtful accounts**					(3,281)
Net hire purchase and financial lease receivables					195,194

* 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 September 2014	31 December 2013	30 September 2014	31 December 2013
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	6,995	5,328	11,060	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 September 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	833	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 September 2014	31 December 2013
Deferred revenue ⁽¹⁾	25,260	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 nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2014	2013	2014	2013
Debtors restructured during the period				
Number of debtors restructured by modification of terms (number)	944	234	1,271	303
Loan balances before restructuring (Million Baht)	475	277	745	315
Loan balances after restructuring (Million Baht)	475	277	745	315
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	5	4	5	4
Mortgage loan receivables	3	2	3	2

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

	(Unit: Million Baht)			
	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2014	2013	2014	2013
Interest income on restructured receivables	14	10	34	31
Receipt of principal and interest	90	66	229	199

As at 30 September 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 September 2014		31 December 2013	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	1,907	961	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 September 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	(38,363)	(122,199)	1,059,140	3,063,929	240,341	157,322	4,360,170
Bad debt written-off	(2,746)	(19,857)	(925,789)	(2,758,059)	(164,579)	-	(3,871,030)
Balance - end of period	<u>3,390,590</u>	<u>1,108,732</u>	<u>1,220,109</u>	<u>683,363</u>	<u>174,410</u>	<u>266,273</u>	<u>6,843,477</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 September 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	641,481	3,561,367	157,322	4,360,170
Bad debt written-off	(382,583)	(3,488,447)	-	(3,871,030)
Balance - end of period	<u>3,340,480</u>	<u>3,236,724</u>	<u>266,273</u>	<u>6,843,477</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 September 2014	31 December 2013
Non-performing loans to customers	5,609	4,258
Allowance for doubtful accounts	1,751	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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Debt instruments - debentures ⁽²⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽³⁾	6	6	-	-	6	6

⁽¹⁾ Allowance for possible loss is determined based on the investment cost less collateral value.

⁽²⁾ Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

⁽³⁾ Investments in securities of companies which are vulnerable to delisting, of companies whose the auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

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

As at 30 September 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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Pass	265,059	307,922	-	-	-	-	-	-	265,059	307,922
Special mention	17,504	17,246	-	-	-	-	-	-	17,504	17,246
Sub-standard	3,409	3,086	-	-	-	-	-	-	3,409	3,086
Doubtful	1,895	996	-	-	-	-	-	-	1,895	996
Doubtful of loss	305	176	47	47	18	18	18	18	388	259
Total	288,172	329,426	47	47	18	18	18	18	288,255	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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
					(%)	(%)		
Pass	165,209	180,736	165,209	180,736	0.60	0.58	989	1,049
Special mention	15,866	15,660	15,866	15,660	3.90	4.67	619	732
Sub-standard	2,953	2,777	2,953	2,777	22.87	22.95	675	637
Doubtful	1,712	922	1,712	922	23.05	23.13	395	213
Doubtful of loss	207	69	207	69	22.85	22.75	47	16
Total	185,947	200,164	185,947	200,164			2,725	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 included 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 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Pass	10,516	9,632	163	172	10,353	9,460
Special mention	838	984	105	130	733	854
Sub-standard	333	353	134	143	199	210
Doubtful	308	270	119	99	189	171
Doubtful of loss	221	86	75	36	146	50
Total	12,216	11,325	596	580	11,620	10,745

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Receivable from clearing house	33,867	271,516	-	-
Value added tax - net	344,335	577,447	979	1,086
Accrued interest receivables	70,089	53,518	-	-
Fee and service receivables	245,703	210,915	70,880	74,000
Refundable income tax and prepaid				
income tax	24,576	21,302	-	-
Deposits	52,207	47,628	4,279	4,080
Other receivables	479,455	603,072	-	8,025
Dividend receivables	4,800	4,000	-	-
Other assets	473,009	688,169	71,586	68,369
Total other assets	1,728,041	2,477,567	147,724	155,560

3.9 Deposits

3.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2014	31 December 2013
Deposits		
Current accounts	2,994,896	2,480,901
Saving accounts	46,544,860	40,751,442
Fixed accounts		
- not over 6 months	21,960,641	12,917,074
- over 6 months but not over 1 year	5,589,548	20,938,222
- over 1 year	357,478	201,249
Certificates of deposit/negotiable certificates of deposit	129,627,473	187,351,865
Total	<u>207,074,896</u>	<u>264,640,753</u>

3.9.2 Classified by remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2014	31 December 2013
Not over 1 year*	206,487,156	264,152,811
Over 1 year	587,740	487,942
Total deposits	<u>207,074,896</u>	<u>264,640,753</u>

*Including fully-mature deposit contracts

3.9.3 As at 30 September 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 September	31 December	30 September	31 December
	2014	2013	2014	2013
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,643,000	8,243,000	-	-
Unsubordinated unsecured debentures	41,861,700	28,566,000	-	-
Unsubordinated guaranteed debentures	1,000,000	1,000,000	-	-
Bills of exchange	8,253,122	6,273,822	8,127,000	6,128,000
Promissory notes	797	797	-	-
Total	57,758,619	44,083,619	8,127,000	6,128,000

3.10.1 Subordinated unsecured debentures

As at 30 September 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 September	31 December		30 September	31 December		
		2014	2013		2014	2013		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2009	TISCO Bank	-	2.00	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	-	2.00	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	1.00	1.00	1,000	1,000	1,000	2020	5.00 percent per annum
2010	TISCO Bank	1.00	1.00	1,000	1,000	1,000	2020	4.80 percent per annum
2012	TISCO Bank	1.00	1.00	1,000	1,000	1,000	2022	4.85 percent per annum
2012	TISCO Bank	1.24	1.24	1,000	1,243	1,243	2022	4.60 percent per annum
2014	TISCO Bank	1.60	-	1,000	1,600	-	2024	6.00 percent per annum
2014	TISCO Bank	0.80	-	1,000	800	-	2024	6.00 percent per annum
Total					6,643	8,243		

* TISCO Bank has early redeemed these debentures before the maturity date in compliance with the condition as specified in the prospectus.

3.10.2 Unsubordinated unsecured debentures

As at 30 September 2014 and 31 December 2013, a subsidiary company operating banking business has short-term unsubordinated unsecured debentures as follows:

Year	Issuer	Units		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		as at			financial statements as at			
		30 September	31 December		30 September	31 December		
		2014	2013		2014	2013		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2013	TISCO Bank	-	16.17	1,000	-	16,166	2014	2.80 - 3.15 percent per annum
2013	TISCO Bank	-	3.00	1,000	-	3,000	2014	3.15 percent per annum
2013	TISCO Bank	-	3.50	1,000	-	3,500	2014	3.15 percent per annum
2013	TISCO Bank	-	3.00	1,000	-	3,000	2014	3.10 percent per annum
2013	TISCO Bank	-	2.60	1,000	-	2,600	2014	3.05 percent per annum
2013	TISCO Bank	-	0.30	1,000	-	300	2014	3.10 percent per annum
2014	TISCO Bank	41.86	-	1,000	41,862	-	2014	2.55 - 2.87 percent per annum
Total					41,862	28,566		

3.10.3 Unsubordinated guaranteed debentures

As at 30 September 2014 and 31 December 2013, a subsidiary company operating leasing business has long-term unsubordinated guaranteed debentures as follows:

Year	Issuer	Units		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		as at			financial statements as at			
		30 September	31 December		30 September	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 the floating interest rate bearing ones, 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 September 2014 and 31 December 2013 was as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	251,556	242,830
Current service cost	17,432	18,889
Interest cost	8,752	9,150
Benefits paid during the period/year	(1,776)	(6,258)
Actuarial (gains) losses	24,615	(13,055)
Defined post employment benefit obligation at end of period/year	300,579	251,556
Other long-term benefits	79,826	82,983
Total provision for long-term employee benefits at end of period/year	380,405	334,539

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 September 2014	31 December 2013
Defined post employment benefit obligation at beginning of period/year	60,289	59,889
Current service cost	3,104	3,542
Interest cost	2,026	2,212
Benefits paid during the period/year	-	(1,684)
Actuarial (gains) losses	5,211	(3,670)
Defined post employment benefit obligation at end of period/year	70,630	60,289
Other long-term benefits	11,380	11,547
Total provisions for long-term employee benefits at end of period/year	82,010	71,836

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Current service cost	8,937	8,727	26,824	20,618
Interest cost	3,542	2,897	10,823	7,703
Actuarial (gains) losses	-	-	1,224	(19,138)
Total employee benefits expenses	<u>12,479</u>	<u>11,624</u>	<u>38,871</u>	<u>9,183</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Current service cost	1,405	1,091	4,216	3,272
Interest cost	777	581	2,330	1,742
Actuarial (gains) losses	-	-	918	(2,882)
Total employee benefits expenses	<u>2,182</u>	<u>1,672</u>	<u>7,464</u>	<u>2,132</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 September 2014	31 December 2013	30 September 2014	31 December 2013
Payable to clearing house	155,855	298,874	-	-
Withholding income tax and other tax payables	280,521	315,964	8,946	44,506
Accrued insurance premium	470,759	819,656	-	-
Deferred income	1,027,430	950,012	-	-
Accrued expenses	2,790,588	2,438,450	1,144,885	977,292
Suspense creditors	255,916	583,941	-	-
Other payables	54,185	95,479	-	-
Other liabilities	299,519	268,105	65	65
Total other liabilities	5,334,773	5,770,481	1,153,896	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 included costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 30 September 2014 and 31 December 2013, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 433 million and Baht 408 million, respectively (the Company only: Baht 242 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 September 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 September 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	9,764,406	7,943,322
Other components of shareholders' equity	5,792	-
Less: Deductions from Common Equity Tier I items	(95,899)	(620,222)
Total Common Equity Tier I capital	22,416,999	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	22,417,000	17,619,550
<u>Tier II capital</u>		
Long-term subordinated debentures	6,643,000	7,518,700
Surplus of provision	214,475	-
Reserve for loans classified as pass	648,320	608,075
Total Tier II capital	7,505,795	8,126,775
Total capital funds	29,922,795	25,746,325

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2014		31 December 2013	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	12.46	4.50	9.15	4.50
Tier I capital to risk assets	12.46	6.00	9.15	6.00
Total capital to risk assets	16.64	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 September 2010, the Company has disclosed capital maintenance information of financial business group as at 30 June 2014 on its website on 31 October 2014.

3.14 Interest income

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Interbank and money market items	138,811	250,208	537,834	711,318
Investments in debt securities	101,495	50,009	321,971	137,797
Loans to customers	1,564,997	1,527,927	4,625,952	4,319,689
Hire purchase and financial lease	2,951,212	3,115,395	9,126,858	9,007,756
Total interest income	4,756,515	4,943,539	14,612,615	14,176,560

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Interbank and money market items	3,060	6,186	19,045	20,500
Investments in debt securities	28,316	36,545	89,710	114,735
Total interest income	31,376	42,731	108,755	135,235

3.15 Interest expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Deposits	1,426,657	1,875,443	4,835,431	5,439,776
Interbank and money market items	101,551	123,610	310,965	339,837
Contribution fee to the Deposit Protection Agency and Bank of Thailand	312,650	320,401	982,886	914,292
Issued debt instruments				
- Subordinated debentures	87,634	109,311	335,304	324,367
- Unsubordinated debentures	260,990	97,131	738,895	192,118
Borrowings	65,155	100,958	178,173	317,127
Total interest expenses	<u>2,254,637</u>	<u>2,626,854</u>	<u>7,381,654</u>	<u>7,527,517</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Interbank and money market items	-	-	-	322
Borrowings	60,883	56,962	171,401	171,221
Total interest expenses	<u>60,883</u>	<u>56,962</u>	<u>171,401</u>	<u>171,543</u>

3.16 Net fee and service income

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Fee and service income				
- Acceptance, aval and guarantees	2,229	4,026	7,900	7,992
- Insurance service	528,679	637,787	1,855,081	2,018,922
- Brokerage fees	269,305	234,330	636,854	902,620
- Fund management	264,122	170,918	659,415	559,196
- Financial advisory	1,250	7,500	11,051	13,150
- Others	264,670	220,909	743,034	680,934
Total fee and service income	1,330,255	1,275,470	3,913,335	4,182,814
Fee and service expenses				
- Information service expenses	(5,284)	(4,926)	(18,471)	(16,616)
- Others	(52,130)	(48,955)	(135,209)	(162,167)
Total fee and service expenses	(57,414)	(53,881)	(153,680)	(178,783)
Net fee and service income	1,272,841	1,221,589	3,759,655	4,004,031

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Fee and service income	-	-	-	-
Fee and service expenses				
- Others	(7,468)	(4,191)	(15,820)	(9,869)
Total fee and service expenses	(7,468)	(4,191)	(15,820)	(9,869)
Net fee and service income	(7,468)	(4,191)	(15,820)	(9,869)

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 nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	9,441	2,217	26,503	21,373
- Derivatives on interest rates	(9,695)	(9,620)	(12,175)	1,996
- Debt securities	2,772	4,354	8,515	7,948
- Equity securities	-	(2)	-	(3)
- Others	(1)	1	(7)	(5)
Net gains (losses) on trading and foreign exchange transactions	<u>2,517</u>	<u>(3,050)</u>	<u>22,836</u>	<u>31,309</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies	(2,606)	6,999	(11,795)	19,766
Net gains (losses) on trading and foreign exchange transactions	<u>(2,606)</u>	<u>6,999</u>	<u>(11,795)</u>	<u>19,766</u>

3.18 Net gains on investments

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Gains (losses) on disposal				
- Available-for-sale investments	86,187	(212)	97,043	233,942
- Held-to-maturity debt securities	-	25	17	141
- General investments	6,922	11,653	16,436	31,184
Total	93,109	11,466	113,496	265,267
Reversal of losses on impairment				
- General investments	2,074	2,917	868	1,912
Total	2,074	2,917	868	1,912
Gain from return of capital from a subsidiary company	829	-	829	-
Net gains on investments	96,012	14,383	115,193	267,179

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 nine-month periods ended 30 September 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Interbank and money market items	2,100	12,000	(2,900)	16,000
Held-to-maturity debt securities	(195)	191	(196)	(1,381)
Loans to customers	1,146,693	765,701	3,547,015	2,513,498
Total	1,148,598	777,892	3,543,919	2,528,117

3.20 Other operating income

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Gains on disposal of property foreclosed	8,483	7,809	22,439	7,809
Rental income	6,683	7,381	20,988	22,060
Others	8,042	15,169	20,030	25,632
Total	23,208	30,359	63,457	55,501

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Rental income	16,121	16,366	48,237	49,195
Others	467	1,110	1,450	1,559
Total	16,588	17,476	49,687	50,754

3.21 Other operating expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
Mailing expenses	14,361	13,262	44,883	42,259
Software amortisation expenses	13,718	16,382	43,091	47,703
Legal expenses	74,308	47,426	196,881	127,939
Transportation expenses	27,204	25,693	79,224	72,350
Advertising and business promotion expenses	27,191	23,453	91,643	65,538
Others	69,157	60,462	203,754	158,711
Total	225,939	186,678	659,476	514,500

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
		(Restated)		(Restated)
Mailing expenses	125	17	547	232
Software amortisation expenses	7,640	6,682	21,759	17,993
Transportation expenses	2,124	2,026	6,060	6,258
Advertising expenses	7,284	41	19,836	417
Others	19,584	15,332	45,937	25,017
Total	36,757	24,098	94,139	49,917

3.22 Income tax expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Current income tax:				
Income tax expenses for the period	336,929	307,940	945,301	865,908
Adjustment in respect of current income tax of previous year	-	-	-	(16)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(60,154)	(15,215)	(185,408)	14,445
Income tax expenses reported in the statements of comprehensive income	276,775	292,725	759,893	880,337

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
		(Restated)		(Restated)
Current income tax:				
Income tax expenses for the period	17,167	18,119	56,851	51,268
Adjustment in respect of current income tax of previous year	-	-	-	(950)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	1,007	1,145	1,670	9,433
Income tax expenses reported in the statements of comprehensive income	18,174	19,264	58,521	59,751

3.23 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Other comprehensive income				
Gains on translation adjustment in foreign operations	-	381	-	1,069
Available-for-sale investments:				
Gains (losses) during the period	290,701	39,154	402,068	(108,799)
Less: Reclassification adjustments for (gains) losses included in profit or loss	(86,187)	212	(97,043)	(233,942)
	204,514	39,366	305,025	(342,741)
Actuarial gains (losses)	3,081	-	(24,615)	7,785
Cash flow hedges:				
Gains (losses) during the period	(1,830)	(10,526)	1,318	(17,425)
Add: Reclassification adjustments for losses included in profit or loss	2,434	-	8,762	-
	604	(10,526)	10,080	(17,425)
Other comprehensive income	208,199	29,221	290,490	(351,312)
Income tax relating to components of other comprehensive income	(41,639)	(5,768)	(58,121)	68,082
Net other comprehensive income for the period	<u>166,560</u>	<u>23,453</u>	<u>232,369</u>	<u>(283,230)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	(13,324)	77,423	(3,093)	(94,664)
Actuarial gains (losses)	-	-	(5,210)	5,112
Other comprehensive income	(13,324)	77,423	(8,303)	(89,552)
Income tax relating to components of other comprehensive income	2,665	(15,484)	1,660	17,910
Net other comprehensive income for the period	<u>(10,659)</u>	<u>61,939</u>	<u>(6,643)</u>	<u>(71,642)</u>

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 September						
2014			2013			
Before tax amount	Tax expense	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Surplus on valuation in						
available-for-sale investments	204,514	(40,902)	163,612	39,366	(7,873)	31,493
Actuarial gains	3,081	(616)	2,465	-	-	-
Cash flow hedges	604	(121)	483	(10,526)	2,105	(8,421)
	<u>208,199</u>	<u>(41,639)</u>	<u>166,560</u>	<u>28,840</u>	<u>(5,768)</u>	<u>23,072</u>

(Unit: Thousand Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
2014			2013			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Surplus (deficit) on valuation in						
available-for-sale investments	305,025	(61,005)	244,020	(342,741)	66,151	(276,590)
Actuarial gains (losses)	(24,615)	4,900	(19,715)	7,785	(1,554)	6,231
Cash flow hedges	10,080	(2,016)	8,064	(17,425)	3,485	(13,940)
	<u>290,490</u>	<u>(58,121)</u>	<u>232,369</u>	<u>(352,381)</u>	<u>68,082</u>	<u>(284,299)</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 September						
2014			2013			
Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax expense	Net of tax amount	
Surplus (deficit) on valuation in						
available-for-sale investments	(13,324)	2,665	(10,659)	77,423	(15,484)	61,939
	<u>(13,324)</u>	<u>2,665</u>	<u>(10,659)</u>	<u>77,423</u>	<u>(15,484)</u>	<u>61,939</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2014			2013		
	Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Deficit on valuation in available-for-sale investments	(3,093)	618	(2,475)	(94,664)	18,933	(75,731)
Actuarial gains (losses)	(5,210)	1,042	(4,168)	5,112	(1,023)	4,089
	<u>(8,303)</u>	<u>1,660</u>	<u>(6,643)</u>	<u>(89,552)</u>	<u>17,910</u>	<u>(71,642)</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 ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
	Profit attributable to equity holders of the Company (Thousand Baht)	1,088,964	1,131,997	3,015,441
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	753,226
Basic earnings per share (Baht/share)	1.36	1.40	3.77	4.57

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit attributable to equity holders of the Company (Thousand Baht)	70,681	71,321	227,978	235,021
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	753,226
Basic earnings per share (Baht/share)	0.08	0.09	0.28	0.31

3.26 Related party transactions

	(Unit: Thousand Baht)			
	As at 1 January 2014	Increase	Decrease	As at 30 September 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	(1,183,360)	817,879
Loans:				
Hi-Way Co., Ltd.	1,486,000	92,000	(15,000)	1,563,000
TISCO Leasing Co., Ltd.	2,500,000	-	(686,800)	1,813,200
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	(29,857)	62,171
TISCO Learning Center Co., Ltd.	302	1,740	(1,019)	1,023
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	444	-	572

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2014	2013	2014	2013	
Transactions occurred during the period					
(Eliminated in consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	375,651	440,356	1,134,316	1,234,642	Determined on market price/terms of BOT
Interest income	31,336	42,708	108,642	135,111	With reference to the terms and prices as offered to other customers
Rental income	15,883	16,118	47,517	48,425	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	44,750	42,500	134,250	127,500	Determined on market price/terms of BOT
Interest expenses	-	-	-	601	With reference to the terms and prices as offered to other customers
Training expenses	980	1,153	3,223	2,142	With reference to the prices as offered from other service providers
Other expenses	225	179	1,517	323	With reference to the terms and prices as offered to other customers

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2014	31 December 2013
Loans ⁽¹⁾	23,833	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 September 2014	31 December 2013
Deposits	188,731	212,539

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Short-term benefits	75	60	192	169
Post-employment benefits	2	1	5	4
Total	77	61	197	173

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2014	2013	2014	2013
Short-term benefits	50	31	122	103
Post-employment benefits	1	1	3	3
Total	51	32	125	106

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 nine-month periods ended 30 September 2014 and 2013, respectively.

	Commercial	Securities	Asset	Support	Total segments	Adjustments and eliminations	Consolidated financial statement
	banking business	business	management business	business			
For the three-month period ended 30 September 2014							
Revenue							
External customers	3,556	275	320	(73)	4,078	-	4,078
Inter-segment	3	72	-	554	629	(629)	-
Total revenue	3,559	347	320	481	4,707	(629)	4,078
Operating results:							
Net interest income	2,521	8	1	(28)	2,502	-	2,502
Net fee and service income	737	334	318	120	1,509	(236)	1,273
Other operating income	301	5	1	389	696	(393)	303
Total operating income	3,559	347	320	481	4,707	(629)	4,078
Depreciation and amortisation	(225)	(20)	(5)	(119)	(369)	123	(246)
Other operating expenses	(1,161)	(252)	(124)	(262)	(1,799)	502	(1,297)
Bad debt, doubtful accounts and impairment losses	(1,149)	-	-	-	(1,149)	-	(1,149)
Total operating expenses	(2,535)	(272)	(129)	(381)	(3,317)	625	(2,692)
Segment profit	1,024	75	191	100	1,390	(4)	1,386
Income tax expenses							(277)
Non-controlling interests of the subsidiaries							(20)
Profit for the period - equity holders of the Company							1,089

(Unaudited but reviewed)

	(Unit: Million Baht)						
For the nine-month period ended 30 September 2014	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
Revenue							
External customers	10,521	671	793	(200)	11,785	-	11,785
Inter-segment	(12)	201	1	1,677	1,867	(1,867)	-
Total revenue	10,509	872	794	1,477	13,652	(1,867)	11,785
Operating results:							
Net interest income	7,257	28	6	(60)	7,231	-	7,231
Net fee and service income	2,469	821	784	364	4,438	(678)	3,760
Other operating income	783	23	4	1,173	1,983	(1,189)	794
Total operating income	10,509	872	794	1,477	13,652	(1,867)	11,785
Depreciation and amortisation	(686)	(61)	(18)	(341)	(1,106)	370	(736)
Other operating expenses	(3,328)	(680)	(347)	(809)	(5,164)	1,488	(3,676)
Bad debt, doubtful accounts and impairment losses	(3,542)	-	-	-	(3,542)	(2)	(3,544)
Total operating expenses	(7,556)	(741)	(365)	(1,150)	(9,812)	1,856	(7,956)
Segment profit	2,953	131	429	327	3,840	(11)	3,829
Income tax expenses							(760)
Non-controlling interests of the subsidiaries							(54)
Profit for the period - equity holders of the Company							3,015

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2013	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
Revenue							
External customers	3,400	249	197	(49)	3,797	-	3,797
Inter-segment	(28)	98	-	618	688	(688)	-
Total revenue	<u>3,372</u>	<u>347</u>	<u>197</u>	<u>569</u>	<u>4,485</u>	<u>(688)</u>	<u>3,797</u>
Operating results:							
Net interest income	2,318	10	2	(13)	2,317	-	2,317
Net fee and service income	819	326	194	117	1,456	(234)	1,222
Other operating income	235	11	1	465	712	(454)	258
Total operating income	<u>3,372</u>	<u>347</u>	<u>197</u>	<u>569</u>	<u>4,485</u>	<u>(688)</u>	<u>3,797</u>
Depreciation and amortisation	(224)	(20)	(7)	(113)	(364)	120	(244)
Other operating expenses	(1,198)	(222)	(108)	(360)	(1,888)	569	(1,319)
Bad debt, doubtful accounts and impairment losses	(778)	-	-	-	(778)	-	(778)
Total operating expenses	<u>(2,200)</u>	<u>(242)</u>	<u>(115)</u>	<u>(473)</u>	<u>(3,030)</u>	<u>689</u>	<u>(2,341)</u>
Segment profit	1,172	105	82	96	1,455	1	1,456
Income tax expenses							(293)
Non-controlling interests of the subsidiaries							(31)
Profit for the period - equity holders of the Company							<u>1,132</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2013	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
Revenue							
External customers	10,315	1,151	652	(163)	11,955	-	11,955
Inter-segment	(111)	313	1	1,784	1,987	(1,987)	-
Total revenue	<u>10,204</u>	<u>1,464</u>	<u>653</u>	<u>1,621</u>	<u>13,942</u>	<u>(1,987)</u>	<u>11,955</u>
Operating results:							
Net interest income	6,650	27	6	(34)	6,649	-	6,649
Net fee and service income	2,534	1,187	643	348	4,712	(708)	4,004
Other operating income	1,020	250	4	1,307	2,581	(1,279)	1,302
Total operating income	<u>10,204</u>	<u>1,464</u>	<u>653</u>	<u>1,621</u>	<u>13,942</u>	<u>(1,987)</u>	<u>11,955</u>
Depreciation and amortisation	(671)	(64)	(19)	(332)	(1,086)	357	(729)
Other operating expenses	(3,797)	(804)	(337)	(979)	(5,917)	1,640	(4,277)
Bad debt, doubtful accounts and impairment losses	(2,528)	-	-	-	(2,528)	-	(2,528)
Total operating expenses	<u>(6,996)</u>	<u>(868)</u>	<u>(356)</u>	<u>(1,311)</u>	<u>(9,531)</u>	<u>1,997</u>	<u>(7,534)</u>
Segment profit	3,208	596	297	310	4,411	10	4,421
Income tax expenses							(880)
Non-controlling interests of the subsidiaries							(96)
Profit for the period - equity holders of the Company							<u>3,445</u>

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 September 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 September 2014	311,927	4,170	814	26,339	343,250	(25,592)	317,658
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 September 2014	31 December 2013
Avals	192,105	42,552
Other guarantees	596,892	753,815
Undrawn client overdraft facilities	36,985	54,041
Interest rate swap agreements	1,200,000	2,274,303
Cross currency swap agreements	3,447,650	3,658,515
Total	5,473,632	6,783,226

3.28.2 Litigation

As at 30 September 2014 and 31 December 2013, the subsidiaries have been sued for compensation totaling approximately Baht 364 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 companies have 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 September 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 September 2014	31 December 2013
Payable within:		
Not over 1 year	146	133
Over 1 to 5 years	189	101
Over 5 years	62	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>1,601</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 10 November 2014.