

TISCO Bank Public Company Limited
Report and interim financial statements
For the three-month period ended
31 March 2015



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statements of financial position of TISCO Bank Public Company Limited as at 31 March 2015, the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 8 May 2015

TISCO Bank Public Company Limited

Statement of financial position

As at 31 March 2015

(Unit: Thousand Baht)

	Note	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
Assets			
Cash		1,080,726	1,179,613
Interbank and money market items - net		29,206,466	36,852,663
Derivative assets	3.1	5,357	-
Investments - net	3.2, 3.5	14,122,590	13,308,949
Loans to customers and accrued interest receivables	3.3, 3.5		
Loans to customers		270,945,599	279,989,638
Accrued interest receivables		503,433	527,506
Total loans to customers and accrued interest receivables		271,449,032	280,517,144
Less: Deferred revenue		(21,088,170)	(21,947,954)
Less: Allowance for doubtful accounts	3.4	(6,513,731)	(6,380,337)
Loans to customers and accrued interest receivables - net		243,847,131	252,188,853
Properties foreclosed - net		92,048	117,967
Investment properties		16,067	16,067
Premises and equipment - net		737,072	751,427
Intangible assets - net		220,523	223,601
Deferred tax assets		67,057	26,142
Other assets	3.6	1,188,210	1,220,460
Total assets		290,583,247	305,885,742

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

TISCO Bank Public Company Limited**Statement of financial position (continued)**

As at 31 March 2015

(Unit: Thousand Baht)

	Note	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Liabilities			
Deposits	3.7	201,531,596	206,391,307
Interbank and money market items - net		11,044,408	10,352,384
Liabilities payable on demand		443,981	399,916
Derivative liabilities	3.1	39,975	40,729
Debts issued and borrowings	3.8	46,912,819	57,736,819
Provision for long-term employee benefits	3.9	179,710	176,786
Accrued interest payable		1,153,270	1,088,888
Income tax payable		639,571	421,170
Dividend payable	4	-	1,105,881
Other liabilities	3.10	3,802,210	4,168,098
Total liabilities		265,747,540	281,881,978

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

TISCO Bank Public Company Limited

Statement of financial position (continued)

As at 31 March 2015

(Unit: Thousand Baht)

Note	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Shareholders' equity		
Share capital		
Registered		
104 preference shares of Baht 10 each	1	1
921,567,588 ordinary shares of Baht 10 each	9,215,676	9,215,676
	<u>9,215,677</u>	<u>9,215,677</u>
Issued and fully paid-up		
104 preference shares of Baht 10 each	1	1
921,567,588 ordinary shares of Baht 10 each	9,215,676	9,215,676
	<u>9,215,677</u>	<u>9,215,677</u>
Share premium on ordinary shares	2,543,024	2,543,024
Other components of shareholders' equity	255,667	246,994
Retained earnings		
Appropriated-statutory reserve	984,000	984,000
Unappropriated	11,837,339	11,014,069
Total shareholders' equity	<u>24,835,707</u>	<u>24,003,764</u>
Total liabilities and shareholders' equity	<u>290,583,247</u>	<u>305,885,742</u>

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



Mrs. Oranuch Apisaksirikul

(Chairperson of the Executive Board)



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(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2015

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

	Note	2015	2014
Interest income	3.12	4,143,409	4,671,901
Interest expenses	3.13	(1,913,783)	(2,595,424)
Net interest income		2,229,626	2,076,477
Fee and service income		718,246	860,611
Fee and service expenses		(21,783)	(16,748)
Net fee and service income	3.14	696,463	843,863
Net gains on trading and foreign exchange transactions	3.15	7,690	17,322
Net gains on investments	3.16	885	6,101
Penalty fee income from loans		114,101	78,901
Income from business promotion relating to the hire purchase business		50,749	87,251
Other operating income	3.18	74,063	34,093
Total operating income		3,173,577	3,144,008
Expenses from business promotion relating to the hire purchase business		52,671	108,151
Total net operating income		3,120,906	3,035,857
Operating expenses			
Employee's expenses		448,639	421,231
Premises and equipment expenses		188,622	187,255
Taxes and duties		53,580	52,487
Intercompany supporting fee expenses	3.24	377,543	261,127
Other operating expenses	3.19	173,601	150,521
Total operating expenses		1,241,985	1,072,621
Bad debt, doubtful accounts and impairment losses	3.17	855,681	1,085,401
Profit from operation before income tax expenses		1,023,240	877,835
Income tax expenses	3.20	200,653	172,755
Profit for the period		822,587	705,080

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2015

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

	Note	2015	2014
Other comprehensive income	3.21		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>			
Gain on valuation in available-for-sale investments		11,695	20,357
Income tax effects	3.22	(2,339)	(4,071)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		9,356	16,286
Other comprehensive income for the period		9,356	16,286
Total comprehensive income for the period		831,943	721,366
Earnings per share			
Basic earnings per share	3.23	0.89	0.86

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Cash flows statement

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	2015	2014
Cash flows from operating activities		
Profit before income tax	1,023,240	877,835
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	22,218	25,607
Bad debt and doubtful accounts	1,242,295	1,326,298
Reversal of allowance for impairment of investments	(1,536)	(181)
Allowance for impairment of properties foreclosed	79	129
Gain on disposal of investments in securities	(2,394)	(5,898)
Unrealised loss on foreign exchange transactions and trading derivatives	34,695	22,286
Gain on disposal of equipment	(1,132)	(20)
Loss on written-off of equipment	331	-
Gain on disposal of properties foreclosed	(8,567)	(6,184)
Employee benefit expenses	6,557	5,384
Decrease in accrued income	11,091	5,345
Decrease in accrued expenses	(197,489)	(203,894)
Net interest income	(2,229,626)	(2,076,477)
Dividend income	(58,220)	(24,800)
Cash received on interest income	4,221,352	4,847,742
Cash paid on interest expenses	(1,557,804)	(2,096,092)
Cash received on dividend income	28,520	24,800
Cash paid on income tax expenses	(25,507)	(31,740)
Profit from operating activities before changes in operating assets and liabilities	2,508,103	2,690,140
Operating assets (increase) decrease		
Interbank and money market items	7,646,196	24,120,714
Loans to customers	6,282,912	5,097,970
Properties foreclosed	724,754	659,706
Other assets	5,083	(136,757)

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Cash flows statement (continued)

For the three-month period ended 31 March 2015

	(Unit: Thousand Baht)	
	2015	2014
Operating liabilities increase (decrease)		
Deposits	(4,859,711)	(35,536,865)
Interbank and money market items	692,024	(637,871)
Liabilities payable on demand	44,065	53,013
Short-term debts issued and borrowings	(10,824,000)	7,714,000
Provision for long-term employee benefits	(3,633)	(2,964)
Other liabilities	(406,757)	(794,141)
Net cash flows from operating activities	1,809,036	3,226,945
Cash flows from investing activities		
Cash paid for purchase of investment in securities held for investment	(7,638,309)	(9,454,143)
Cash received from disposal of investment in securities held for investment	6,840,251	4,611,862
Cash paid for purchase of equipment	(4,848)	(20,273)
Cash paid for purchase of intangible assets	(268)	(152,709)
Cash received from disposal of equipment	1,132	20
Net cash flows used in investing activities	(802,042)	(5,015,243)
Cash flows from financing activities		
Cash received from issuance of long-term debentures	-	2,400,000
Dividend paid	(1,105,881)	(655,337)
Net cash flows from (used in) financing activities	(1,105,881)	1,744,663
Net decrease in cash	(98,887)	(43,635)
Cash at beginning of the period	1,179,613	1,130,135
Cash at end of the period	1,080,726	1,086,500
	-	-

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Other components of shareholders' equity								
	Issued and fully paid-up		Share premium on ordinary shares	Surplus on changes		Total shareholders' equity	Retained earnings		Total
	Preference shares	Ordinary shares		in value of available-for-sale investments	Surplus on revaluation of assets		Appropriated	Unappropriated	
Balance as at 1 January 2014	1	8,191,712	1,120,738	5,733	238,770	244,503	984,000	9,031,406	19,572,360
Profit for the period	-	-	-	-	-	-	-	705,080	705,080
Other comprehensive income for the period	-	-	-	16,286	-	16,286	-	-	16,286
Total comprehensive income for the period	-	-	-	16,286	-	16,286	-	705,080	721,366
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(691)	(691)	-	691	-
Balance as at 31 March 2014	1	8,191,712	1,120,738	22,019	238,079	260,098	984,000	9,737,177	20,293,726
Balance as at 1 January 2015	1	9,215,676	2,543,024	32,601	214,393	246,994	984,000	11,014,069	24,003,764
Profit for the period	-	-	-	-	-	-	-	822,587	822,587
Other comprehensive income for the period	-	-	-	9,356	-	9,356	-	-	9,356
Total comprehensive income for the period	-	-	-	9,356	-	9,356	-	822,587	831,943
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(683)	(683)	-	683	-
Balance as at 31 March 2015	1	9,215,676	2,543,024	41,957	213,710	255,667	984,000	11,837,339	24,835,707

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

TISCO Bank Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2015

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 2014) “Interim Financial Reporting”, with the Bank choosing to present condensed interim financial statements. However, the Bank 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 Bank. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.2 New financial reporting standards

During the period, the Bank has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Bank’s financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Bank already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Bank's financial statements.

1.3 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014.

2. General information

2.1 The Bank's information

TISCO Bank Public Company Limited ("the Bank") is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 31 March 2015, the Bank has 59 branches in Thailand.

2.2 Related party transactions

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

The Bank 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 Bank and those related parties, which are reference to the terms and price as charged to other customers.

3. Supplemental information

3.1 Derivatives

The Bank entered into interest rate swap agreements and cross currency swap agreements to manage the risk associated with its loans to customers, as follows:

(Unit: Thousand Baht)

Type of risk	As at					
	31 March 2015			31 December 2014		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	5,357	-	3,255,510	-	5,219	3,296,300
Interest rate	-	39,975	1,200,000	-	35,510	1,200,000
Total	5,357	39,975	4,455,510	-	40,729	4,496,300

All counterparties of these derivative transactions are financial institutions.

3.2 Investments

3.2.1 Classified by type of investment

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Available-for-sale investments - fair value		
Government and state enterprise securities	12,872,666	12,060,173
Private sector debt securities	814,335	811,472
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	13,685,541	12,870,185
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	14,565	17,816
Less: Allowance for impairment	(14,349)	(17,394)
Total held-to-maturity debt securities	216	422
General investments - cost		
Domestic non-marketable equity securities	483,303	483,303
Less: Allowance for impairment	(46,470)	(44,961)
Total general investments	436,833	438,342
Investments - net	14,122,590	13,308,949

In August 2014, the 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. The 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. The Bank disposed of Baht 2,960 million of these investments, with a realised gain for the year 2014 by Baht 72 million. The balance of unrealised gain as at 31 March 2015 was Baht 1 million.

(Unaudited but reviewed)

3.2.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	As at							
	31 March 2015				31 December 2014			
	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	11,896	976	-	12,872	11,087	973	-	12,060
Private sector debt securities	1	813	-	814	1	810	-	811
Total	11,897	1,789	-	13,686	11,088	1,783	-	12,871
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	11,896	1,789	-	13,685	11,087	1,783	-	12,870
Held-to-maturity debt securities								
Investment in receivables	15	-	-	15	13	5	-	18
Less: Allowance for impairment	(14)	-	-	(14)	(12)	(5)	-	(17)
Total	1	-	-	1	1	-	-	1
Total debt securities	11,897	1,789	-	13,686	11,088	1,783	-	12,871

3.2.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	As at		Type of restriction
	31 March 2015	31 December 2014	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	566	-	Pledged for the use of credit balance on clearing position

(Unaudited but reviewed)

3.2.4 Investments in companies with weak financial positions and poor operating results

(Unit: Thousand Baht)

	As at 31 March 2015		
	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)

	As at 31 December 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.

3.2.5 Investments in which the Bank holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

Securities' name	As at					
	31 March 2015			31 December 2014		
	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.	4,372	-	10	5,894	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	4,110	-	10	4,110	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,358	-	10	17,358	-	10

(Unaudited but reviewed)

3.3 Loans to customers and accrued interest receivables

3.3.1 Classified by loans to customers type

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Loans to customers		
Loans	74,284,161	76,542,379
Hire purchase receivables	195,919,017	202,646,374
Finance lease receivables	1,011,185	1,066,507
Less: Deferred revenue	(21,088,170)	(21,947,954)
Advances received from finance lease receivables	(268,764)	(265,622)
Total loans to customers	249,857,429	258,041,684
Add: Accrued interest receivables	503,433	527,506
Less: Allowance for doubtful accounts	(6,513,731)	(6,380,337)
Loans to customers and accrued interest receivables - net	<u>243,847,131</u>	<u>252,188,853</u>

3.3.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	As at					
	31 March 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	246,601,919	-	246,601,919	254,745,384	-	254,745,384
US Dollars	-	3,255,510	3,255,510	-	3,296,300	3,296,300
Total loans to customers						
net of deferred revenue	<u>246,601,919</u>	<u>3,255,510</u>	<u>249,857,429</u>	<u>254,745,384</u>	<u>3,296,300</u>	<u>258,041,684</u>

3.3.3 Classified by loan classification

(Unit: Million Baht)

	As at					
	31 March 2015			31 December 2014		
	Net amount		Allowance	Net amount		Allowance
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 guidelines						
- Pass	223,234	203,760	1,802	230,555	207,633	1,822
- Special mention	21,194	16,876	2,450	22,112	17,843	2,494
- Sub-standard	3,135	3,111	1,065	3,267	3,242	1,073
- Doubtful	1,983	1,956	605	2,057	2,033	623
- Doubtful of loss	815	762	230	578	524	177
Allowance established in excess	-	-	362	-	-	191
Total	250,361	226,465	6,514	258,569	231,275	6,380

⁽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 the Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ As at 31 March 2015, the provisions set aside by the Bank exceeded the BOT's notification No. Sor Nor Sor 31/2551 minimum requirement by a total of Baht 2,996 million (As at 31 December 2014: total of Baht 2,826 million). The Bank allocated Baht 2,634 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2014: total of Baht 2,635 million) and so combined with the minimum provision requirement of Baht 3,518 million (As at 31 December 2014: total of Baht 3,554 million), the total provision set aside in accordance with BOT requirements is Baht 6,152 million (As at 31 December 2014: total of Baht 6,189 million).

	Percentage of allowance for doubtful account set up			
	Hire purchase receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Pass	0.61	0.58	1	1
Special mention	3.79	3.84	2	2
Sub-standard	23.43	23.24	100	100
Doubtful	23.51	23.39	100	100
Doubtful of loss	23.63	23.33	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.

3.3.4 Hire purchase and finance lease receivables

As at 31 March 2015, receivables of the Bank under hire purchase and finance lease agreements amount to Baht 175,746 million (31 December 2014: Baht 181,673 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	As at 31 March 2015				
	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	63,273	122,003	4,596	7,058	196,930
Less: Deferred revenue ⁽¹⁾	(8,324)	(10,650)	(25)	(1,916)	(20,915)
Advances received from finance lease receivables	(104)	(164)	-	(1)	(269)
Present value of minimum lease pay from agreements	<u>54,845</u>	<u>111,189</u>	<u>4,571</u>	<u>5,141</u>	175,746
Allowance for doubtful accounts ⁽²⁾					(2,731)
Net hire purchase and finance lease receivables					<u>173,015</u>

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

⁽²⁾ 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.

(Unit: Million Baht)

	As at 31 December 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	64,545	127,403	4,745	7,020	203,713
Less: Deferred revenue ⁽¹⁾	(8,637)	(11,206)	(38)	(1,893)	(21,774)
Advances received from finance lease receivables	(119)	(146)	-	(1)	(266)
Present value of minimum lease pay from agreements	<u>55,789</u>	<u>116,051</u>	<u>4,707</u>	<u>5,126</u>	181,673
Allowance for doubtful accounts ⁽²⁾					(2,755)
Net hire purchase and finance lease receivables					<u>178,918</u>

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

⁽²⁾ 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.

(Unaudited but reviewed)

3.3.5 Loans to customers for which the recognition of interest income has been ceased

(Unit: Million Baht)

	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under the Bank's policy	
	as at		as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	7,325	7,308	11,423	11,494

⁽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.

3.3.6 Deferred revenue which is presented as a deduction against loans to customers

(Unit: Million Baht)

	As at	
	31 March 2015	31 December 2014
Deferred revenue ⁽¹⁾	21,088	21,948

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

3.3.7 Troubled debt restructuring

	For the three-month periods ended 31 March	
	2015	2014
Debtors restructured during the period		
Number of debtors restructured by modification of terms (number)	1,690	152
Loan balances before restructuring (Million Baht)	593	196
Loan balances after restructuring (Million Baht)	593	196
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (years)		
Hire purchase receivables	5	4
Mortgage loan receivables	2	-
Auto cash loan receivables	4	-

(Unaudited but reviewed)

Supplemental information for the three-month periods ended 31 March 2015 and 2014 relating to the restructured debts is as follows:

(Unit: Million Baht)

For the three-month periods ended
31 March

	2015	2014
Interest income on restructured receivables	26	6
Receipt of principal and interest	83	58

As at 31 March 2015 and 31 December 2014, the Bank has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

As at

	31 March 2015		31 December 2014	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	4,405	1,626	2,767	1,152

3.4 Allowance for doubtful accounts

3.4.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

As at 31 March 2015

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
	Balance - beginning of period	1,821,820	2,494,274	1,072,978	623,641	176,873	190,751
Increase (decrease) in allowance for doubtful accounts during the period	(20,242)	(43,802)	177,814	779,097	177,717	171,711	1,242,295
Bad debt written-off	(4)	(445)	(186,112)	(798,243)	(124,097)	-	(1,108,901)
Balance - end of period	<u>1,801,574</u>	<u>2,450,027</u>	<u>1,064,680</u>	<u>604,495</u>	<u>230,493</u>	<u>362,462</u>	<u>6,513,731</u>

(Unit: Thousand Baht)

As at 31 December 2014

	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
	Balance - beginning of year	3,259,533	1,121,141	943,918	278,617	62,632	108,951
Increase (decrease) in allowance for doubtful accounts during the year	(1,436,389)	1,373,888	1,223,802	3,674,965	231,564	81,800	5,149,630
Bad debt written-off	(1,324)	(755)	(1,094,742)	(3,329,941)	(117,323)	-	(4,544,085)
Balance - end of year	<u>1,821,820</u>	<u>2,494,274</u>	<u>1,072,978</u>	<u>623,641</u>	<u>176,873</u>	<u>190,751</u>	<u>6,380,337</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at 31 March 2015			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	3,446,373	2,743,213	190,751	6,380,337
Increase in allowance for doubtful accounts during the period	142,413	928,171	171,711	1,242,295
Bad debt written-off	(158,232)	(950,669)	-	(1,108,901)
Balance - end of period	<u>3,430,554</u>	<u>2,720,715</u>	<u>362,462</u>	<u>6,513,731</u>

(Unit: Thousand Baht)

	As at 31 December 2014			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	3,018,513	2,647,328	108,951	5,774,792
Increase in allowance for doubtful accounts during the year	932,588	4,135,242	81,800	5,149,630
Bad debt written-off	(504,728)	(4,039,357)	-	(4,544,085)
Balance - end of year	<u>3,446,373</u>	<u>2,743,213</u>	<u>190,751</u>	<u>6,380,337</u>

3.4.3 Non-performing loans to customers

(Unit: Million Baht)

	As at	
	31 March 2015	31 December 2014
Non-performing loans to customers	5,933	5,902
Allowance for doubtful accounts	1,900	1,873

3.5 Classification of assets

3.5.1 Investments in companies with weak financial position and poor operating results

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts ⁽¹⁾ as at	
	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014
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 auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

3.5.2 Classification of assets under the Bank of Thailand's guidelines

As at 31 March 2015 and 31 December 2014, the quality of the Bank's assets classified in accordance with the Bank of Thailand's guidelines is as follows:

(Unit: Million Baht)

	Loans to customers ⁽¹⁾		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Pass	249,727	264,939	-	-	-	-	-	-	249,727	264,939
Special mention	20,997	21,900	-	-	-	-	-	-	20,997	21,900
Sub-standard	3,135	3,267	-	-	-	-	-	-	3,135	3,267
Doubtful	1,983	2,057	-	-	-	-	-	-	1,983	2,057
Doubtful of loss	815	578	46	46	14	17	18	18	893	659
Total	276,657	292,741	46	46	14	17	18	18	276,735	292,822

⁽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).

(Unaudited but reviewed)

3.5.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which the Bank sets aside provision using a collective approach

(Unit: Million Baht)

	Debt balance		Net amount used for setting the allowance for doubtful accounts ⁽¹⁾		Percentage of allowance for doubtful account setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014	2015	2014
					(%)	(%)		
Pass	154,694	159,758	154,694	159,758	0.61	0.58	936	933
Special mention	15,242	16,071	15,242	16,071	3.79	3.84	577	616
Sub-standard	2,672	2,826	2,672	2,826	23.43	23.24	626	657
Doubtful	1,767	1,840	1,767	1,840	23.51	23.39	416	430
Doubtful of loss	700	459	700	459	23.63	23.33	166	107
Total	175,075	180,954	175,075	180,954			2,721	2,743

⁽¹⁾ The Bank 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.

3.6 Other assets

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Value added tax - net	384,661	360,056
Accrued interest receivables	47,857	61,426
Fee and service receivables	41,509	52,600
Deposits	42,077	40,768
Other receivables	419,987	491,149
Other assets	252,119	214,461
Total other assets	1,188,210	1,220,460

(Unaudited but reviewed)

3.7 Deposits

3.7.1 Classified by type of deposits

(Unit: Thousand Baht)

As at

	31 March 2015	31 December 2014
Deposits		
Current accounts	3,676,704	3,250,954
Saving accounts	51,808,581	49,606,051
Fixed accounts		
- not over 6 months	20,433,528	22,613,265
- over 6 months but not over 1 year	3,130,770	1,034,917
- over 1 year	309,346	313,129
Certificates of deposit/negotiable certificates of deposit	122,172,667	129,572,991
Total	<u>201,531,596</u>	<u>206,391,307</u>

3.7.2 Classified by remaining period of contract

(Unit: Thousand Baht)

As at

	31 March 2015	31 December 2014
Not over 1 year ⁽¹⁾	200,842,129	205,885,759
Over 1 year	689,467	505,548
Total deposits	<u>201,531,596</u>	<u>206,391,307</u>

⁽¹⁾ Including fully-mature deposit contracts

3.7.3 As at 31 March 2015 and 31 December 2014, all outstanding deposits are deposits from domestic depositors and in Baht.

3.8 Debt issued and borrowings

(Unit: Thousand Baht)

As at

	31 March 2015	31 December 2014
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	6,643,000	6,643,000
Unsubordinated unsecured debentures	40,232,900	51,056,900
Bills of exchange	36,122	36,122
Promissory notes	797	797
Total	<u>46,912,819</u>	<u>57,736,819</u>

3.8.1 Subordinated unsecured debentures

As at 31 March 2015 and 31 December 2014, the Bank has long-term subordinated unsecured debentures as follows:

Year	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
	31 March 2015	31 December 2014		31 March 2015	31 December 2014		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2010	1.00	1.00	1,000	1,000	1,000	2020	5.00 percent per annum.
2010	1.00	1.00	1,000	1,000	1,000	2020	4.80 percent per annum.
2012	1.00	1.00	1,000	1,000	1,000	2022	4.85 percent per annum.
2012	1.24	1.24	1,000	1,243	1,243	2022	4.60 percent per annum.
2014	1.60	1.60	1,000	1,600	1,600	2024	6.00 percent per annum.
2014	0.80	0.80	1,000	800	800	2024	6.00 percent per annum.
Total				<u>6,643</u>	<u>6,643</u>		

3.8.2 Unsubordinated unsecured debentures

As at 31 March 2015 and 31 December 2014, the Bank has short-term unsubordinated unsecured debentures as follows:

Year	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
	31 March 2015	31 December 2014		31 March 2015	31 December 2014		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2014	40,233	51,057	1,000	40,233	51,057	2015	1.95 - 2.65 percent per annum
Total				<u>40,233</u>	<u>51,057</u>		

3.8.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing and the floating interest rate bearing ones, which will gradually mature in 2015. The interest rates of the fixed interest rate bearing bills of exchange are 2.50 percent per annum.

(Unaudited but reviewed)

3.9 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employee's retirement and other long-term benefits, as at 31 March 2015 and 31 December 2014 was as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2015	31 December 2014
Defined post-employment benefit obligation at beginning of period/year	130,741	100,885
Current service cost	2,924	11,368
Interest cost	1,245	4,955
Benefits paid during the period/year	-	(2,139)
Actuarial losses	-	15,672
Defined post-employment benefit obligation at end of period/year	134,910	130,741
Other long-term benefits	44,800	46,045
Total provision for long-term employee benefits at end of period/year	179,710	176,786

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2015 and 2014 were as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Current service cost	4,970	4,027
Interest cost	1,587	1,357
Total employee benefit expenses	6,557	5,384

Principal actuarial assumptions at the valuation date were as follows:

	(Unit: Percent per annum)	
	2015	2014
Discount rate	2.13 - 4.27	2.13 - 4.27
Average salary increase rate	4.21	4.21
Average inflation rate	2.21	2.21

3.10 Other liabilities

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Withholding income tax and other tax payable	306,536	346,168
Accrued insurance premium	520,421	664,267
Deferred income	1,167,866	1,153,412
Accrued expenses	1,268,252	1,465,741
Suspense creditors	296,797	345,707
Other liabilities	242,338	192,803
Total other liabilities	3,802,210	4,168,098

The above accrued expenses included accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the parent company's share price, paid to employees whose performance impacts the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. 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 parent company's shares over the period of five years from grant date to settlement date. As of 31 March 2015 and 31 December 2014, the Bank has issued bonus under this scheme amounting to Baht 183 million and Baht 176 million, respectively.

3.11 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain capital adequacy ratio in accordance with the regulations of the Bank of Thailand.

The Bank maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings - Based Approach (IRB) for hire purchase receivables, corporate lending, equity exposure and other assets.

Regarding Capital fund as at 31 March 2015 and 31 December 2014, the Bank has allocated the additional reserve from classification as a 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.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
<u>Common Equity Tier I capital</u>		
Issued and fully paid up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	9,764,407	9,764,407
Other components of shareholders' equity	230,493	220,913
Less: Deductions from Common Equity Tier I items	(211,863)	(125,120)
Total Common Equity Tier I capital	22,525,737	22,602,900
<u>Financial Instrument Tier I capital</u>		
Issued and paid up share capital - non cumulative preferred shares	1	1
Total Tier I capital	22,525,738	22,602,901
<u>Tier II capital</u>		
Long-term subordinated debentures	6,643,000	6,643,000
Surplus of provision	562,906	340,412
Reserve for loans classified as pass	695,745	653,521
Total Tier II capital	7,901,651	7,636,933
Total capital funds	30,427,389	30,239,834

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2015		31 December 2014	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	12.69	4.50	12.55	4.50
Tier I capital to risk assets	12.69	6.00	12.55	6.00
Total capital to risk assets	17.14	8.50	16.80	8.50

To comply with the Notification of the Bank of Thailand No. Sor Nor Sor 4/2556 regarding "Public Disclosure of Capital Maintenance for Commercial Banks", the Bank has disclosed capital maintenance information as at 31 December 2014 on its website on 30 April 2015.

(Unaudited but reviewed)

3.12 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2015	2014
Interbank and money market items	115,280	215,206
Investments in debt securities	77,890	105,923
Loans to customers	1,431,207	1,493,783
Hire purchase and finance lease	2,519,032	2,856,989
Total interest income	<u>4,143,409</u>	<u>4,671,901</u>

3.13 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2015	2014
Deposits	1,213,013	1,801,966
Interbank and money market items	61,470	76,152
Contribution fee to the Deposit Protection Agency and Bank of Thailand	291,598	342,053
Issued debt instruments		
- Subordinated debentures	85,729	128,633
- Unsubordinated debentures	261,944	245,308
Borrowings	29	1,312
Total interest expenses	<u>1,913,783</u>	<u>2,595,424</u>

3.14 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Fee and service income		
- Acceptance, aval and guarantees	2,131	4,721
- Insurance service	512,572	671,370
- Financial advisory fees	-	2,250
- Others	203,543	182,270
Total fee and service income	718,246	860,611
Fee and service expenses	(21,783)	(16,748)
Net fee and service income	696,463	843,863

3.15 Net gains on trading and foreign exchange transactions

Net gains on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	15,770	11,833
- Derivatives on interest rates	(8,975)	3,590
- Debt securities	895	1,899
Net gains on trading and foreign exchange transactions	7,690	17,322

3.16 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2015	2014
Gains (losses) on disposal		
- Available-for-sale investments	-	(40)
- Held-to-maturity debt securities	42	14
- General investments	2,352	5,924
Total	2,394	5,898
Reversal of losses (losses) on impairment		
- General investments	(1,509)	203
Total	(1,509)	203
Net gains on investments	885	6,101

3.17 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2015	2014
Interbank and money market items	-	5,000
Held-to-maturity debt securities	(3,045)	22
Loans to customers	858,726	1,080,379
Total	855,681	1,085,401

3.18 Other operating income

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods	
	ended 31 March	
	2015	2014
Gains on disposal of properties foreclosed	8,568	6,184
Dividend income	58,220	24,800
Others	7,275	3,109
Total	<u>74,063</u>	<u>34,093</u>

3.19 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2015 and 2014 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods	
	ended 31 March	
	2015	2014
Mailing expenses	15,191	13,784
Software amortisation expenses	3,345	5,606
Legal expenses	81,458	59,063
Transportation expenses	17,662	20,824
Advertising and business promotion expenses	7,337	24,472
Others	48,608	26,772
Total	<u>173,601</u>	<u>150,521</u>

(Unaudited but reviewed)

3.20 Income tax expenses

Income tax expenses of the Bank for the three-month periods ended 31 March 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Current income tax:		
Income tax expenses for the periods	243,907	242,392
Deferred tax:		
Deferred tax on temporary differences and reversion of temporary differences	(43,254)	(69,637)
Income tax expenses reported in statements of comprehensive income	200,653	172,755

3.21 Components of other comprehensive income

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2015	2014
Other comprehensive income		
Available-for-sale investments:		
Gains during the periods	11,695	20,317
Add: Reclassification adjustments for losses included in profit or loss	-	40
Other comprehensive income	11,695	20,357
Income tax effects relating to components of other comprehensive income	(2,339)	(4,071)
Net other comprehensive income for the periods	9,356	16,286

3.22 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	For the three-month periods ended 31 March					
	2015			2014		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	11,695	(2,339)	9,356	20,357	(4,071)	16,286
	11,695	(2,339)	9,356	20,357	(4,071)	16,286

3.23 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Bank (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.

	For the three-month periods ended 31 March	
	2015	2014
Profit attributable to equity holders of the Bank (Thousand Baht)	822,587	705,080
Weighted average number of shares (Thousand shares)	921,568	819,171
Basic earnings per share (Baht/share)	0.89	0.86

3.24 Related party transactions

(Unit: Thousand Baht)

	As at 1 January 2015	Increase	Decrease	As at 31 March 2015
<u>Outstanding balance</u>				
Parent company:				
TISCO Financial Group Plc.				
Deposits	529,065	427,023	-	956,088
Accrued interest payable	116	542	-	658
Dividend payable	1,105,742	-	(1,105,742)	-
Other liabilities	89,958	20,089	-	110,047
Related companies				
(related by common shareholders)				
Interbank and money market items (Assets):				
TISCO Securities Co., Ltd.	297,000	-	-	297,000
Other assets:				
TISCO Securities Co., Ltd.	2,044	609	-	2,653
TISCO Leasing Co., Ltd.	6,551	103	-	6,654
Deposits:				
Hi-Way Co., Ltd.	29,300	-	(3,659)	25,641
TISCO Information Technology Co., Ltd.	122,699	12,744	-	135,443
Primus Leasing Co., Ltd.	32,841	58	-	32,899
TISCO Tokyo Leasing Co., Ltd.	494	103	-	597
TISCO Learning Center Co., Ltd.	44,102	-	(23,927)	20,175
Deutsche TISCO Investment Advisory Co., Ltd.	205,058	-	(7,248)	197,810
TISCO Leasing Co., Ltd.	2,170	11,688	-	13,858
All-Ways Co., Ltd.	599	127	-	726
Interbank and money market items (Liabilities):				
TISCO Securities Co., Ltd.	149,313	170,399	-	319,712
TISCO Asset Management Co., Ltd.	116,659	117,462	-	234,121
Accrued interest payable:				
TISCO Securities Co., Ltd.	11	6	-	17
TISCO Asset Management Co., Ltd.	662	-	(397)	265
TISCO Information Technology Co., Ltd.	99	13	-	112
TISCO Leasing Co., Ltd.	-	17	-	17
Hi-Way Co., Ltd.	-	76	-	76
TISCO Learning Center Co., Ltd.	53	10	-	63
Other liabilities:				
Hi-Way Co., Ltd.	32,040	960	-	33,000
TISCO Learning Center Co., Ltd.	2,763	3,043	-	5,806
All-Ways Co., Ltd.	650	-	(189)	461

(Unaudited but reviewed)

	2015	2014	(Unit Thousand Baht) Terms and pricing policy
Transactions occurred during the three-month periods ended 31 March			
Parent company			
Other income	167	-	With reference to the terms and prices as offered to other customers
Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses	344,543	236,327	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest expenses	3,485	4,656	With reference to the terms and prices as offered to other customers
Other expenses	2,316	2,316	With reference to the terms and prices as offered to other customers
Related companies			
Interest income	2,811	2,967	With reference to the terms and prices as offered to other customers
Service income involving loan	1,088	1,418	With reference to the terms and prices as offered to other customers
Other income	3,225	2,384	With reference to the terms and prices as offered to other customers
Expenses involving loan	33,000	24,800	Determined on the basis on actual cost
Computer system advisory service expenses	63,000	65,000	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	8,331	8,159	With reference to the prices as offered from other service providers
Interest expenses	2,207	4,940	With reference to the terms and prices as offered to other customers
Other expenses	1,802	2,136	With reference to the terms and prices as offered to other customers

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Loans ⁽¹⁾	5,807	6,306

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Deposits	79,737	90,118

Directors and management's benefits

During the three-month periods ended 31 March 2015 and 2014, the Bank had short-term benefit expenses paid to its directors and management during the periods and other employee benefit expenses payable to its directors and management as below:

(Unit: Million Baht)

	For the three-month periods ended 31 March	
	2015	2014
Short-term benefits	24	22
Post-employment benefits	1	1
Total	25	23

3.25 Segment information

The Bank is organised into business units based on its products and services. During the current period, the Bank has not changed the organisation of its reportable segments.

(Unaudited but reviewed)

The following tables present revenue and profit information regarding the Bank's operating segments for the three-month periods ended 31 March 2015 and 2014, respectively.

(Unit: Million Baht)

	Retail Banking	Corporate Banking	Treasury investment and others	Total segments	Adjustments and eliminations	Total segments
For the three-month period ended 31 March 2015						
Revenue						
External customers	2,466	554	154	3,174	-	3,174
Inter-segment	-	-	545	545	(545)	-
Total revenue	2,466	554	699	3,719	(545)	3,174
Operating results:						
Net interest income	1,641	487	102	2,230	-	2,230
Net fee and service income	680	17	(1)	696	-	696
Other operating income	145	50	598	793	(545)	248
Total operating income	2,466	554	699	3,719	(545)	3,174
Depreciation and amortisation	(62)	(9)	(121)	(192)	-	(192)
Other operating expenses	(1,032)	(187)	(429)	(1,648)	545	(1,103)
Bad debt, doubtful accounts and impairment losses	(637)	(22)	(197)	(856)	-	(856)
Total operating expenses	(1,731)	(218)	(747)	(2,696)	545	(2,151)
Segment profit	735	336	(48)	1,023	-	1,023
Income tax expenses						(200)
Profit for the period						823

(Unaudited but reviewed)

(Unit: Million Baht)

	Retail Banking	Corporate Banking	Treasury investment and others	Total segments	Adjustments and eliminations	Total segments
For the three-month period ended 31 March 2014						
Revenue						
External customers	2,450	443	251	3,144	-	3,144
Inter-segment	-	-	419	419	(419)	-
Total revenue	2,450	443	670	3,563	(419)	3,144
Operating results:						
Net interest income	1,459	425	192	2,076	-	2,076
Net fee and service income	817	28	(1)	844	-	844
Other operating income	174	(10)	479	643	(419)	224
Total operating income	2,450	443	670	3,563	(419)	3,144
Depreciation and amortisation	(59)	(9)	(124)	(192)	-	(192)
Other operating expenses	(957)	(150)	(300)	(1,407)	419	(988)
Bad debt, doubtful accounts and impairment losses	(796)	(60)	(230)	(1,086)	-	(1,086)
Total operating expenses	(1,812)	(219)	(654)	(2,685)	419	(2,266)
Segment profit	638	224	16	878	-	878
Income tax expenses						(173)
Profit for the period						705

3.26 Commitments and contingent liabilities

3.26.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	As at	
	31 March 2015	31 December 2014
Avals	3,303	7,151
Other guarantees	652,086	628,138
Undrawn client overdraft facilities	31,691	34,070
Interest rate swap agreements	1,200,000	1,200,000
Cross currency swap agreements	3,255,510	3,296,300
Total	5,142,590	5,165,659

3.26.2 Litigation

As at 31 March 2015 and 31 December 2014, the Bank has been sued for compensation totaling approximately Baht 357 million and Baht 359 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Bank believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

3.26.3 Other commitments

- a) The Bank has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The Bank has entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally 3 - 9 years.

As at 31 March 2015 and 31 December 2014, the Bank has future minimum lease payments required under these non-cancellable operating lease contracts as follows:

(Unit: Million Baht)

	As at	
	31 March 2015	31 December 2014
Payable within:		
Not over 1 year	112	112
Over 1 to 5 years	127	136
Over 5 years	2	3

3.27 Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

As of 31 March 2015, the Bank has the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	As at 31 March 2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Debt instruments	-	13,685,541	-	13,685,541
Derivatives				
Cross currency swap	-	5,357	-	5,357
Financial liabilities measured at fair value				
Derivatives				
Interest rate swaps	-	39,975	-	39,975

Valuation techniques and inputs to Level 2 and Level 3 valuations

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

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

(Unaudited but reviewed)

4. Dividend payment

	Approved by	Dividend per share		Amounts of dividend paid (Million Baht)	Dividend payment period
		Preference share	Ordinary share		
		(Baht per share)	(Baht per share)		
Interim dividend for 2014	The Board of Directors' Meeting of TISCO Bank No. 7/2014 on 15 December 2014	1.20	1.20	1,106	January 2015
Total dividend payment in year 2014				<u>1,106</u>	

5. Approval of interim financial statements

These interim financial statements were approved by the Bank's Audit Committee on 8 May 2015.