

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
30 September 2015

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 2015, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the related consolidated statements 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, 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*.

Emphasis of matter

I draw attention to Note 1.4 and 1.5 to the financial statements regarding the change in accounting policies due to the adoption of Thai Financial Reporting Standard in year 2014. My opinion is not qualified in respect of this matter.

A handwritten signature in black ink, appearing to be 'R. Jala'.

Ratana Jala
Certified Public Accountant (Thailand) No. 3734

EY Office Limited
Bangkok: 9 November 2015

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	954,745	1,180,482	70	70
Interbank and money market items - net	34,880,431	38,057,993	662,729	529,181
Derivatives assets	3.2 193	-	-	-
Investments - net	3.3, 3.7 8,543,291	14,795,457	781,490	843,774
Investment in subsidiaries and joint venture - net	3.4 262,170	207,228	19,370,077	19,370,029
Loans to customers and accrued interest receivables	3.5, 3.7			
Loans to customers		258,485,790	2,890,300	3,154,300
Accrued interest receivables		530,210	-	-
Total loans to customers and accrued interest receivables		259,016,000	2,890,300	3,154,300
Less: Deferred revenue		(21,226,053)	-	-
Less: Allowance for doubtful accounts	3.6	(5,813,460)	-	-
Loans to customers and accrued interest receivables - net		231,976,487	2,890,300	3,154,300
Properties foreclosed - net		69,503	-	-
Investment properties - net		32,562	778,245	778,245
Premises and equipment - net		2,629,372	883,976	663,751
Intangible assets - net		383,007	94,443	89,997
Deferred tax assets		330,233	139,766	110,157
Securities and derivatives business receivables - net		1,939,760	-	-
Dividend receivable from subsidiaries		-	-	1,693,238
Other assets	3.8	1,644,514	82,235	190,777
Total assets		283,646,268	25,683,331	27,423,519

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 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2015	31 December 2014	30 September 2015	31 December 2014	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and shareholders' equity					
Liabilities					
Deposits	3.9	162,105,474	205,383,788	-	-
Interbank and money market items - net		9,207,325	10,897,493	-	-
Liabilities payable on demand		375,957	399,916	-	-
Derivatives liabilities	3.2	112,849	40,729	-	-
Debts issued and borrowings	3.10	76,437,919	65,406,219	7,260,000	7,669,400
Provision for long-term employee benefits		466,099	403,572	103,315	85,823
Deferred tax liabilities		1,761	30,155	-	-
Securities and derivatives business payable - net		1,492,446	1,250,067	-	-
Accrued interest payable		1,013,886	1,129,253	31,001	40,712
Income tax payable		76,174	566,574	32,331	30,373
Other liabilities	3.11	5,396,031	6,342,046	1,141,350	1,098,690
Total liabilities		256,685,921	291,849,812	8,567,997	8,924,998

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

TISCO Financial Group Public Company Limited and its subsidiaries

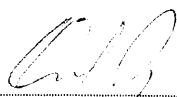
Statement of financial position (continued)

As at 30 September 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	30 September 2015 (Unaudited but reviewed)	31 December 2014 (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				
	336	336	336	336
33,558 preference shares of Baht 10 each				
800,621,925 ordinary shares of Baht 10 each	8,006,219	8,006,219	8,006,219	8,006,219
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
	-	-	295	295
Share premium on preference shares				
Share premium on ordinary shares	1,018,408	1,018,408	7,031,228	7,031,228
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of shareholders' equity	1,414,212	1,680,354	95,064	217,292
Retained earnings				
	596,300	596,300	596,300	596,300
Appropriated-statutory reserve				
Unappropriated	15,824,476	14,429,068	1,385,892	2,646,851
	<u>26,859,951</u>	<u>25,730,685</u>	<u>17,115,334</u>	<u>18,498,521</u>
Equity attributable to owners of the Company	26,859,951	25,730,685	17,115,334	18,498,521
Non-controlling interests of the subsidiaries	100,396	93,008	-	-
	<u>26,960,347</u>	<u>25,823,693</u>	<u>17,115,334</u>	<u>18,498,521</u>
Total shareholders' equity	26,960,347	25,823,693	17,115,334	18,498,521
Total liabilities and shareholders' equity	283,646,268	317,673,505	25,683,331	27,423,519

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



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



TISCO

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
Interest income	3.13	4,176,303	4,669,792	17,014	31,376
Interest expenses	3.14	(1,559,399)	(2,213,971)	(34,842)	(60,883)
Net interest income		2,616,904	2,455,821	(17,828)	(29,507)
Fee and service income		1,244,867	1,330,255	-	-
Fee and service expenses		(46,151)	(57,407)	(2,403)	(7,468)
Net fee and service income	3.15	1,198,716	1,272,848	(2,403)	(7,468)
Net gains (losses) on trading and foreign exchange transactions	3.16	78,849	2,517	67,879	(2,606)
Net gains on investments	3.17	4,295	96,012	-	-
Share of profit from investment accounted for under equity method	3.4.2	23,325	8,518	-	-
Dividend income		18,793	19,048	-	-
Penalty fee income from loans		138,346	88,437	-	-
Income from business promotion relating to the hire purchase business		72,946	74,477	-	-
Intercompany supporting fee income	3.25	-	-	209,485	375,651
Other operating income	3.19, 3.25	25,968	14,330	16,563	16,588
Total operating income		4,178,142	4,032,008	273,696	352,658
Expenses from business promotion relating to the hire purchase business		81,743	82,615	-	-
Total net operating income		4,096,399	3,949,393	273,696	352,658
Operating expenses					
Employee's expenses		417,001	932,758	(64,143)	135,582
Directors' remuneration		3,310	3,375	3,310	3,375
Premises and equipment expenses		230,310	225,750	88,698	88,087
Taxes and duties		51,632	56,548	1	2
Other operating expenses	3.20	225,895	220,560	21,514	36,757
Total operating expenses		928,148	1,438,991	49,380	263,803
Bad debt, doubtful accounts and impairment losses	3.18	2,165,569	1,137,600	-	-
Profit before income tax expenses		1,002,682	1,372,802	224,316	88,855
Income tax expenses	3.21	196,821	272,422	45,157	18,174
Profit for the period		805,861	1,100,380	179,159	70,681

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 2015

	Note	(Unit: Thousand Baht, except earnings per share expressed in Baht)			
		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
			(Restated)		
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>					
Gains (losses) on valuation in available-for-sale investments		(330,271)	204,514	(207,196)	(13,324)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture		(8,617)	237	-	-
Income tax effects	3.23	66,054	(40,903)	41,439	2,665
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		(272,834)	163,848	(165,757)	(10,659)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>					
Actuarial gains		-	3,680	-	-
Income tax effects	3.23	-	(736)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax		-	2,944	-	-
Other comprehensive income for the period		(272,834)	166,792	(165,757)	(10,659)
Total comprehensive income for the period		<u>533,027</u>	<u>1,267,172</u>	<u>13,402</u>	<u>60,022</u>
Profit attributable to					
Equity holders of the Company	3.24	809,785	1,088,964	179,159	70,681
Non-controlling interests of the subsidiaries		(3,924)	11,416		
		<u>805,861</u>	<u>1,100,380</u>		
Total comprehensive income attributable to					
Equity holders of the Company		536,951	1,254,561	13,402	60,022
Non-controlling interests of the subsidiary		(3,924)	12,611		
		<u>533,027</u>	<u>1,267,172</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	<u>1.01</u>	<u>1.36</u>	<u>0.22</u>	<u>0.09</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2015

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014 (Restated)	2015	2014
Interest income	3.13	12,813,215	14,359,564	64,629	108,755
Interest expenses	3.14	(5,348,512)	(7,261,655)	(119,286)	(171,401)
Net interest income		7,464,703	7,097,909	(54,657)	(62,646)
Fee and service income		3,895,093	3,913,335	-	-
Fee and service expenses		(150,450)	(153,661)	(9,676)	(15,820)
Net fee and service income	3.15	3,744,643	3,759,674	(9,676)	(15,820)
Net gains (losses) on trading and foreign exchange transactions	3.16	111,249	22,836	89,098	(11,795)
Net gains on investments	3.17	122,876	115,193	47	-
Share of profit from investment accounted for under equity method	3.4.2	79,229	34,568	-	-
Dividend income		92,332	96,416	-	-
Penalty fee income from loans		345,447	256,693	-	-
Income from business promotion relating to the hire purchase business		235,643	239,525	-	-
Intercompany supporting fee income	3.25	-	-	1,094,029	1,134,316
Other operating income	3.19, 3.25	61,437	37,958	49,398	49,687
Total operating income		12,257,559	11,660,772	1,168,239	1,093,742
Expenses from business promotion relating to the hire purchase business		269,170	271,358	-	-
Total net operating income		11,988,389	11,389,414	1,168,239	1,093,742
Operating expenses					
Employee's expenses		2,296,047	2,583,031	392,743	447,195
Directors' remuneration		9,540	9,855	9,540	9,855
Premises and equipment expenses		698,327	670,280	262,086	254,341
Taxes and duties		160,352	168,422	1,646	1,713
Other operating expenses	3.20	697,966	649,400	65,095	94,139
Total operating expenses		3,862,232	4,080,988	731,110	807,243
Bad debt, doubtful accounts and impairment losses	3.18	4,381,032	3,532,921	-	-
Profit before income tax expenses		3,745,125	3,775,505	437,129	286,499
Income tax expenses	3.21	731,754	742,267	88,588	58,521
Profit for the period		3,013,371	3,033,238	348,541	227,978

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 2015

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

Note	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>				
Gains (losses) on valuation in available-for-sale investments	(292,925)	305,025	(151,381)	(3,093)
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	(24,313)	3,952	-	-
Income tax effects	3.23 58,585	(61,005)	30,276	618
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax	(258,653)	247,972	(121,105)	(2,475)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>				
Actuarial losses	(20,938)	(23,958)	(11,649)	(5,210)
Share of other comprehensive income of joint venture:				
Actuarial gains (losses) of joint venture	26	(257)	-	-
Income tax effects	3.23 4,152	4,768	2,330	1,042
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax	(16,760)	(19,447)	(9,319)	(4,168)
Other comprehensive income for the period	(275,413)	228,525	(130,424)	(6,643)
Total comprehensive income for the period	2,737,958	3,261,763	218,117	221,335
Profit attributable to				
Equity holders of the Company	3.24 3,006,209	3,015,441	348,541	227,978
Non-controlling interests of the subsidiaries	7,162	17,797		
	3,013,371	3,033,238		
Total comprehensive income attributable to				
Equity holders of the Company	2,730,570	3,242,582	218,117	221,335
Non-controlling interests of the subsidiary	7,388	19,181		
	2,737,958	3,261,763		
Earnings per share of equity holders of the Company				
Basic earnings per share	3.24 3.75	3.77	0.44	0.28

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 2015**

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
Cash flows from operating activities				
Profit before income tax expenses	3,745,125	3,775,505	437,129	286,499
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities				
Depreciation and amortisation	159,675	172,590	58,128	55,308
Share of profit from investment accounted for under equity method	(79,229)	(34,568)	-	-
Bad debts and doubtful accounts	5,723,810	4,346,272	-	-
Reversal of allowance for impairment of investments	(803)	(9,579)	(47)	-
Allowance for impairment of properties foreclosed (reversal)	66	(6)	-	-
Gain on disposal of investments in securities	(125,237)	(114,325)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(358,005)	20,535	(89,098)	11,795
Gain on disposal of equipment	(1,588)	(5,827)	-	(216)
Loss on written-off of equipment	813	1,711	17	-
Loss on written-off of intangible assets	-	53	-	-
Gain on disposal of properties foreclosed	(37,970)	(16,614)	-	-
Employee benefit expenses	59,141	38,606	8,723	7,464
(Increase) decrease in accrued income	5,573	(35,238)	81,766	3,120
Increase (decrease) in accrued expenses	(188,051)	345,226	93,234	167,593
Net interest income	(7,464,703)	(7,097,909)	54,657	62,646
Dividend income	(92,332)	(96,416)	-	-
Cash received on interest income	13,060,485	14,315,075	64,644	108,919
Cash paid on interest expenses	(4,593,523)	(6,409,243)	(128,996)	(149,382)
Cash received on dividend income	92,332	95,616	1,693,238	1,457,244
Cash paid on income tax expenses	(1,223,745)	(1,078,276)	(83,633)	(126,141)
Profit from operating activities before changes in operating assets and liabilities	8,681,834	8,213,188	2,189,762	1,884,849
Operating assets (increase) decrease				
Interbank and money market items	3,185,710	23,806,909	(133,549)	(307,847)
Loans to customers	17,562,312	12,346,651	264,000	609,800
Securities and derivatives business receivables	(120,502)	(260,713)	-	-
Receivables from clearing house	285,000	237,649	-	-
Properties foreclosed	1,522,957	2,333,102	-	-
Other assets	-381,046	399,610	1,484	4,551

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 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
Operating liabilities increase (decrease)				
Deposits	(43,278,315)	(57,567,214)	-	-
Interbank and money market items	(1,690,167)	149,468	-	-
Liabilities payable on demand	(23,959)	81,184	-	-
Securities and derivatives business payables	242,379	161,847	-	-
Short-term debts issued and borrowings	(1,868,300)	15,275,000	(409,400)	1,999,000
Payable to clearing house	(407,906)	(143,019)	-	-
Provision for long-term employee benefits	(17,694)	(17,620)	(2,880)	(2,501)
Other liabilities	(1,038,205)	(1,436,928)	(50,574)	(35,560)
Net cash flows from (used in) operating activities	(17,345,902)	3,579,114	1,858,843	4,152,292
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(14,925,711)	(21,532,023)	-	-
Cash received from disposal of investments in securities held for investment	21,100,031	21,467,000	-	-
Cash paid for purchase of equipment	(260,557)	(173,724)	(230,676)	(44,664)
Cash paid for purchase of intangible assets	(93,743)	(263,514)	(26,863)	(60,435)
Cash received from disposal of equipment	1,588	5,867	-	256
Cash paid for acquisition of subsidiaries	-	-	-	(2,446,155)
Net cash flows from (used in) investing activities	5,821,608	(496,394)	(257,539)	(2,550,998)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	13,900,000	2,400,000	-	-
Cash paid for redemption of long-term debentures	(1,000,000)	(4,000,000)	-	-
Dividend paid	(1,601,443)	(1,601,294)	(1,601,304)	(1,601,294)
Net cash flows from (used in) financing activities	11,298,557	(3,201,294)	(1,601,304)	(1,601,294)
Net decrease in cash	(225,737)	(118,574)	-	-
Cash at beginning of the period	1,180,482	1,130,971	70	70
Cash at end of the period	954,745	1,012,397	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 2015

(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	Surplus (deficit) on changes in value of available-for-sale investments	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control under holding restructuring plan	Total other components of shareholders' equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
	Preference shares	Ordinary shares							Appropriated	Unappropriated			
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	67,435	23,054,355
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,294)	(1,601,294)	-	(1,601,294)
Profit for the period - as restated	-	-	-	-	-	-	-	-	-	3,015,441	3,015,441	17,797	3,033,238
Other comprehensive income for the period - as restated	-	-	-	244,020	-	3,952	-	247,972	-	(20,831)	227,141	1,384	228,525
Total comprehensive income for the period - as restated	-	-	-	244,020	-	3,952	-	247,972	-	2,994,610	3,242,582	19,181	3,261,763
Transfer 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	201,992	933,375	(3,995)	679,266	1,810,638	496,200	13,296,407	24,628,208	86,212	24,714,420
Balance as at 1 January 2015	336	8,006,219	1,018,408	101,480	909,249	(9,641)	679,266	1,680,354	596,300	14,429,068	25,730,685	93,008	25,823,693
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,304)	(1,601,304)	-	(1,601,304)
Profit for the period	-	-	-	-	-	-	-	-	-	3,006,209	3,006,209	7,162	3,013,371
Other comprehensive income for the period	-	-	-	(234,340)	-	(24,313)	-	(258,653)	-	(16,986)	(275,639)	226	(275,413)
Total comprehensive income for the period	-	-	-	(234,340)	-	(24,313)	-	(258,653)	-	2,989,223	2,730,570	7,388	2,737,958
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(7,489)	-	-	(7,489)	-	7,489	-	-	-
Balance as at 30 September 2015	336	8,006,219	1,018,408	(132,860)	901,760	(33,954)	679,266	1,414,212	596,300	15,824,476	26,859,951	100,396	26,960,347

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 2015

(Unit: Thousand Baht)

	Note	Separate financial statements										
		Issued and paid-up				Share premium		Other components of shareholders' equity			Retained earnings	
		Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on	Surplus on	Total other	Appropriated	Unappropriated	Total	
		shares	shares	shares	shares	change in value of	revaluation of	of shareholders'				
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)	
Profit for the period		-	-	-	-	(2,475)	-	(2,475)	-	227,978	225,503	
Other comprehensive income for the period		-	-	-	-	-	-	-	-	(4,168)	(4,168)	
Total comprehensive income for the period		-	-	-	-	(2,475)	-	(2,475)	-	223,810	221,335	
Transfer 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>	
Balance as at 1 January 2015		336	8,006,219	295	7,031,228	(12,198)	229,490	217,292	596,300	2,646,851	18,498,521	
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,304)	(1,601,304)	
Profit for the period		-	-	-	-	-	-	-	-	348,541	348,541	
Other comprehensive income for the period		-	-	-	-	(121,105)	-	(121,105)	-	(9,319)	(130,424)	
Total comprehensive income for the period		-	-	-	-	(121,105)	-	(121,105)	-	339,222	218,117	
Transfer surplus on revaluation of assets												
to retained earnings		-	-	-	-	-	(1,123)	(1,123)	-	1,123	-	
Balance as at 30 September 2015		<u>336</u>	<u>8,006,219</u>	<u>295</u>	<u>7,031,228</u>	<u>(133,303)</u>	<u>228,367</u>	<u>95,064</u>	<u>596,300</u>	<u>1,385,892</u>	<u>17,115,334</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 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 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 the same format as that used for the annual financial statements, which are 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 2014. During the period, there was no change in the composition of the subsidiaries.

1.3 The separate financial statements

The Company prepares the separate financial statements, which present investments in subsidiaries and joint ventures under the cost method.

1.4 New financial reporting standards

a) Financial reporting standard that became effective in the current period

The Company has adopted the revised (revised 2014) 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 Company and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, and the management of the Company and its subsidiaries have elected to early adopt financial reporting standards relating to investments since year 2014 as follows;

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 *Consolidated and Separate Financial Statements*. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company has control over the investees and determine which entities has to be included for preparation of the consolidated financial statements.

TFRS 10 requires the Company to reassess its investments in order to reach a conclusion as to whether it has control over those investments. The Company consequently changed its conclusion as a result of the reassessment of its investment in TISCO Tokyo Leasing Company Limited as of the date that TFRS 10 was initially adopted from presenting it as an investment in a subsidiary to presenting it as a joint venture company because it does not meet the definition of control specified in TFRS 10. As a result, TISCO Tokyo Leasing Company Limited has been a joint venture company since December 2008, which is when the Company acquired the investment. The reason for this assessment is that the Company does not have absolute control over the joint venture company. In addition, the remaining 49% voting rights are held by another major shareholder and the Company has entered into a shareholders' agreement with the major shareholder to make collective decisions concerning the business operations. Therefore, considering the requirements of TFRS 10, the Company has deconsolidated TISCO Tokyo Leasing Company Limited from its consolidated financial statements and restated the consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2014, presented as comparative information. The amounts of the adjustments affecting the financial statements are presented in Notes 1.5 to the financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 *Interests in Joint Ventures*. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

In addition to the above Thai Financial Reporting Standards relating to investments adopted by the Company prior to the effective date, there are also other new and revised standards that have changes in principles as follows:

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 Company and its subsidiaries already recognise 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 measurements. 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 effect of the adoption of this standard is to be recognised prospectively.

This standard does not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued a number of the new and revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company and its subsidiaries' management believe that the new and revised standards will not have any significant impact on the financial statements when it is initially applied.

1.5 Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard

During the year 2014, the Company and its subsidiaries made the changes, described in Note 1.4 a) to the financial statements, to its significant accounting policies, as a result of the early adoption of TFRS 10.

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

	(Unit: Thousand Baht)	
	For the three-month period ended	For the nine-month period ended
	<u>30 September 2014</u>	<u>30 September 2014</u>
Consolidated statements of comprehensive income		
Profit or loss:		
Increase in share of profit from investments		
accounted for under equity method	8,518	34,568
Decrease in net operating income	46,410	124,018
Decrease in operating expenses	22,193	59,415
Other comprehensive income:		
Decrease in actuarial losses	599	657
Decrease in gains on cash flow hedge	604	10,080
Increase in share of other comprehensive income of joint venture	237	3,695
Profit attributable to:		
Decrease in non-controlling interests	8,866	35,979
Total comprehensive income attributable to:		
Decrease in non-controlling interests	8,634	39,823

Such changes in accounting policies have no effect on profit attributable to equity holders of the Company in the consolidated financial statements.

1.6 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as described in Note 1.4 a) to the interim financial statements.

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 2015 and 31 December 2014 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 2015	31 December 2014
<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 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

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

Type of risk	(Unit: Thousand Baht)					
	Consolidated financial statements as at					
	30 September 2015			31 December 2014		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	193	75,444	7,273,920	-	5,219	3,296,300
Interest rate	-	37,405	1,200,000	-	35,510	1,200,000
Total	193	112,849	8,473,920	-	40,729	4,496,300

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 2015	31 December 2014
Available-for-sale investments - fair value		
Government and state enterprise securities	5,534,928	12,060,173
Private sector debt securities	1,398,005	811,472
Domestic marketable equity securities	355,663	604,417
Other securities - domestic unit trusts	28,315	28,141
Other securities - foreign unit trusts	781,490	843,774
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	8,096,941	14,346,517
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	14,423	17,816
Less: Allowance for impairment	(14,230)	(17,394)
Total held-to-maturity debt securities	193	422
General investments - cost		
Domestic non-marketable equity securities	493,479	493,479
Less: Allowance for impairment	(47,322)	(44,961)
Total general investments	446,157	448,518
Investments - net	8,543,291	14,795,457
		(Unit: Thousand Baht)
	Separate financial statements as at	
	30 September 2015	31 December 2014
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	781,490	843,774

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 TISCO 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 2,960 million of these investments, with a realised gain for the year 2014 and 2015 by Baht 72 million and Baht 1 million, respectively.

(Unaudited but reviewed)

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 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	4,072	1,463	-	5,535	11,087	973	-	12,060
Private sector debt securities	108	1,290	-	1,398	1	810	-	811
Total	4,180	2,753	-	6,933	11,088	1,783	-	12,871
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,179	2,753	-	6,932	11,087	1,783	-	12,870
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	13	5	-	18
Less: Allowance for impairment	(14)	-	-	(14)	(12)	(5)	-	(17)
Total	-	-	-	-	1	-	-	1
Total debt securities	4,179	2,753	-	6,932	11,088	1,783	-	12,871

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restriction
	30 September 2015	31 December 2014	
Government debt securities	2	2	Pledged for electricity usage

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 September 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)

	Consolidated financial statements 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.

3.3.5 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 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.	3,468	-	10	4,110	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,127	-	10	17,358	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Investment in subsidiaries	-	-	19,296,832	19,296,784
Investment in joint venture	262,170	207,228	73,245	73,245
	<u>262,170</u>	<u>207,228</u>	<u>19,370,077</u>	<u>19,370,029</u>

3.4.1 Investment 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 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	30 September 2014
				(%)	(%)				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	17,641	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase and retail loan	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	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	-	-
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	-	-
						<u>19,406</u>	<u>19,406</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						<u>19,297</u>	<u>19,297</u>		

3.4.2 Investment in joint venture

a. Details of investment in joint venture

Investment in joint venture represents investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	262,170	207,228

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Separate financial statements							
		Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	-	-	73,245	73,245

b. Share of profit/loss and dividend received

During the period, the Company recognised its share of profit/loss from investment in joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the three-month periods ended 30 September		Share of other comprehensive income from investments in joint venture for the three-month periods ended 30 September		Dividend received for the three-month periods ended 30 September	
	2015	2014	2015	2014	2015	2014
TISCO Tokyo Leasing Co., Ltd.	23,325	8,518	(8,617)	237	-	-

(Unaudited but reviewed)

Jointly controlled entity	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
			Share of other			
	Share of profit/loss from investment in joint venture for the nine-month periods ended 30 September		comprehensive income from investments in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
	2015	2014	2015	2014	2015	2014
TISCO Tokyo Leasing Co., Ltd.	79,229	34,568	(24,287)	3,695	-	-

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 2015	31 December 2014
Loans to customers		
Loans	66,810,502	76,978,228
Hire purchase receivables	191,068,382	208,226,729
Finance lease receivables	870,498	1,077,970
Less: Deferred revenue	(21,226,053)	(23,233,476)
Advances received from finance lease receivables	(263,592)	(265,622)
Total loans to customers	237,259,737	262,783,829
Add: Accrued interest receivables	530,210	572,383
Less: Allowance for doubtful accounts	(5,813,460)	(6,950,423)
Loans to customers and accrued interest receivables - net	231,976,487	256,405,789

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 September 2015	31 December 2014
Loans to customers		
Loans	2,890,300	3,154,300
Loans to customers and accrued interest receivables - net	2,890,300	3,154,300

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	237,259,737		237,259,737	259,487,529	-	259,487,529
US Dollars	-	-	-	-	3,296,300	3,296,300
Total loans to customers net of deferred revenue	237,259,737	-	237,259,737	259,487,529	3,296,300	262,783,829

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,890,300	-	2,890,300	3,154,300	-	3,154,300
Total loans to customers net of deferred revenue	2,890,300	-	2,890,300	3,154,300	-	3,154,300

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

(Unit: Million Baht)

	As at					
	30 September 2015			31 December 2014		
	Net amount			Net amount		
Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	
Provision under BOT's guidelines						
- Pass	209,758	189,369	1,821	230,555	207,633	1,822
- Special mention	16,710	16,459	1,136	22,112	17,843	2,494
- Sub-standard	2,973	2,958	993	3,267	3,242	1,073
- Doubtful	1,992	1,985	618	2,057	2,033	623
- Doubtful of loss	2,070	1,435	563	578	524	177
Allowance established in excess	-	-	74	-	-	191
Total	233,503	212,206	5,205	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 finance lease receivables, for which TISCO Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ As at 30 September 2015, 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 930 million (as at 31 December 2014: total of Baht 2,826 million). TISCO Bank allocated Baht 856 million of the excess provision to a specific provision for an individual debtors (a at 31 December 2014: total of Baht 2,635 million) and so combined with the minimum provision requirement of Baht 4,275 million (a at 31 December 2014: total of Baht 3,554 million), the total provision set aside in accordance with BOT requirements is Baht 5,131 million (As at 31 December 2014: total of Baht 6,189 million).

(Unaudited but reviewed)

	Percentage of allowance for doubtful accounts set up			
	Hire purchase receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Pass	0.67	0.58	1	1
Special mention	5.09	3.84	2	2
Sub-standard	22.75	23.24	100	100
Doubtful	22.39	23.39	100	100
Doubtful of loss	22.36	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.

3.5.4 Hire purchase and finance lease receivables

As at 30 September 2015, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 170,683 million (31 December 2014: Baht 186,036 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	Consolidated financial statement as at 30 September 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	63,290	115,300	4,669	8,680	191,939
Less: Deferred revenue ⁽¹⁾	(8,420)	(9,973)	(133)	(2,466)	(20,992)
Advances received from finance lease receivables	(33)	(228)	-	(3)	(264)
Present value of minimum lease pay from agreements	54,837	105,099	4,536	6,211	170,683
Allowance for doubtful accounts ⁽²⁾					(3,533)
Net hire purchase and finance lease receivables					167,150

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

⁽²⁾ These allowance for doubtful accounts of the subsidiary company operating banking business 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)

(Unit: Million Baht)

Consolidated financial statement 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	66,902	129,550	4,746	8,107	209,305
Less: Deferred revenue ⁽¹⁾	(9,289)	(11,508)	(38)	(2,168)	(23,003)
Advances received from finance lease receivables	(119)	(146)	-	(1)	(266)
Present value of minimum lease pay from agreements	57,494	117,896	4,708	5,938	186,036
Allowance for doubtful accounts ⁽²⁾					(3,285)
Net hire purchase and finance lease receivables					182,751

⁽¹⁾ Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.⁽²⁾ These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

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⁾ as at		Amounts calculated under TISCO Bank's policy as at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
	Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	7,496	7,308	8,368

⁽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 2015	31 December 2014
Hire purchase receivables, finance lease receivables and other loans and receivables for which the recognition of interest income has been ceased	905	934

(Unaudited but reviewed)

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 2015	31 December 2014
Deferred revenue ⁽¹⁾	21,226	23,233

⁽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.

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Debtors restructured during the periods				
Number of debtors restructured by modification of terms (number)	3,269	944	7,261	1,271
Loan balances before restructuring (Million Baht)	1,113	475	2,476	745
Loan balances after restructuring (Million Baht)	1,113	475	2,476	745
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	5	5	5	5
Mortgage loan receivables	3	3	3	3
Auto cash loan receivables	4	-	4	-
Commercial lending receivables	-	-	2	-

Supplemental information for the three-month and nine-month periods ended 30 September 2015 and 2014 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Interest income on restructured receivables	53	14	112	34
Receipt of principal and interest	132	77	284	196

(Unaudited but reviewed)

As at 30 September 2015 and 31 December 2014, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

	As at			
	30 September 2015		31 December 2014	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	9,691	3,281	2,767	1,152

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 2015						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	1,953,919	2,599,444	1,208,484	734,070	263,755	190,751	6,950,423
Increase (decrease) in allowance for doubtful accounts during the period	(5,041)	2,302,186	471,044	2,132,981	931,760	(117,120)	5,715,810
Bad debt written-off	(1,803)	(3,653,521)	(543,836)	(2,141,542)	(512,071)	-	(6,852,773)
Balance - end of period	<u>1,947,075</u>	<u>1,248,109</u>	<u>1,135,692</u>	<u>725,509</u>	<u>683,444</u>	<u>73,631</u>	<u>5,813,460</u>

(Unit: Thousand Baht)

	Consolidated financial statement as at 31 December 2014						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning year	3,411,073	1,250,788	1,086,758	377,493	96,161	108,951	6,331,224
Increase (decrease) in allowance for doubtful accounts during the year	(1,453,621)	1,375,573	1,337,125	3,864,061	443,052	81,800	5,647,990
Bad debt written-off	(3,533)	(26,917)	(1,215,399)	(3,507,484)	(275,458)	-	(5,028,791)
Balance - end of year	<u>1,953,919</u>	<u>2,599,444</u>	<u>1,208,484</u>	<u>734,070</u>	<u>263,755</u>	<u>190,751</u>	<u>6,950,423</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Consolidated financial statement as at 30 September 2015				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	3,492,971	3,266,701	190,751	6,950,423
Increase (decrease) in allowance for doubtful accounts during the period	2,833,368	2,999,562	(117,120)	5,715,810
Bad debt written-off	(4,100,286)	(2,752,487)	-	(6,852,773)
Balance - end of period	<u>2,226,053</u>	<u>3,513,776</u>	<u>73,631</u>	<u>5,813,460</u>

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2014				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	3,058,468	3,163,805	108,951	6,331,224
Increase in allowance for doubtful accounts during the year	968,218	4,597,972	81,800	5,647,990
Bad debt written-off	(533,715)	(4,495,076)	-	(5,028,791)
Balance - end of year	<u>3,492,971</u>	<u>3,266,701</u>	<u>190,751</u>	<u>6,950,423</u>

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

(Unit: Million Baht)

	As at	
	30 September 2015	31 December 2014
Non-performing loans to customers	7,035	5,902
Allowance for doubtful accounts ⁽¹⁾	2,174	1,873

⁽¹⁾ These allowance for doubtful accounts of the subsidiary company operating banking business 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 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 as at		Fair value as at		Allowance for possible loss provided in the accounts ⁽¹⁾	
	30 September	31 December	30 September	31 December	30 September	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.

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

As at 30 September 2015 and 31 December 2014, 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		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Pass	241,476	264,939	-	-	-	-	-	-	241,476	264,939
Special mention	16,514	21,900	-	-	-	-	-	-	16,514	21,900
Sub-standard	2,973	3,267	-	-	-	-	-	-	2,973	3,267
Doubtful	1,992	2,057	-	-	-	-	-	-	1,992	2,057
Doubtful of loss	2,070	578	49	46	14	17	1	18	2,134	659
Total	265,025	292,741	49	46	14	17	1	18	265,089	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 statement 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 set up ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at				as at		as at	
	30	31	30	31	30	31	30	31		
	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014	September 2015	December 2014		
					(%)	(%)				
Pass	145,961	159,758	145,961	159,758	0.67	0.58	972	933		
Special mention	14,780	16,071	14,780	16,071	5.09	3.84	753	616		
Sub-standard	2,544	2,826	2,544	2,826	22.75	23.24	579	657		
Doubtful	1,761	1,840	1,761	1,840	22.39	23.39	394	430		
Doubtful of loss	1,129	459	1,129	459	22.36	23.33	252	107		
Total	166,175	180,954	166,175	180,954			2,950	2,743		

⁽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/finance 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 2015	31 December 2014	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Pass	2,752	3,118	126	132	2,626	2,986
Special mention	686	776	112	105	574	671
Sub-standard	283	318	143	136	140	182
Doubtful	218	276	108	110	110	166
Doubtful of loss	306	254	120	87	186	167
Total	4,245	4,742	609	570	3,636	4,172

3.7.5 Loans to customers includes debts due from companies with weak financial position and operating results of a subsidiary company operating banking business

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts	
	as at		as at		as at		as at	
	30 September 2015	31 December 2014	30 September 2015 Million Baht	31 December 2014 Million Baht	30 September 2015 Million Baht	31 December 2014 Million Baht	30 September 2015 Million Baht	31 December 2014 Million Baht
1. Listed companies vulnerable to delisting from the SET	1	-	821	-	571	-	250	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies which have loan settlement problems or have defaulted on payment of debts	-	-	-	-	-	-	-	-
5. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	1	-	821	-	571	-	250	-

(Unaudited but reviewed)

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Receivable from clearing house	7,042	292,043	-	-
Value added tax - net	351,545	366,442	7,770	1,043
Accrued interest receivables	33,025	61,426	-	-
Fee and service receivables	228,001	233,573	15,922	97,688
Refundable income tax and prepaid income tax	25,844	24,368	-	-
Deposits	52,321	82,097	2,107	34,080
Other receivables	459,069	496,197	1,005	-
Other assets	487,667	408,220	55,431	57,966
Total other assets	1,644,514	1,964,366	82,235	190,777

3.9 Deposits**3.9.1 Classified by type of deposits**

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2015	31 December 2014
Deposits		
Current accounts	3,204,248	2,917,435
Saving accounts	49,052,291	49,606,051
Fixed accounts		
- not over 6 months	17,262,125	22,613,265
- over 6 months but not over 1 year	2,015,979	1,034,917
- over 1 year	372,696	313,129
Certificates of deposit/negotiable certificates of deposit	90,198,135	128,898,991
Total	162,105,474	205,383,788

3.9.2 Classified by remaining period of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2015	31 December 2014
Not over 1 year ⁽¹⁾	161,651,113	204,878,240
Over 1 year	454,361	505,548
Total deposits	162,105,474	205,383,788

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 30 September 2015 and 31 December 2014, 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 2015	31 December 2014	30 September 2015	31 December 2014
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,643,000	6,643,000	-	-
Unsubordinated unsecured debentures	62,498,000	51,056,900	-	-
Bills of exchange	7,296,122	7,705,522	7,260,000	7,669,400
Promissory notes	797	797	-	-
Total	76,437,919	65,406,219	7,260,000	7,669,400

3.10.1 Subordinated unsecured debentures

As at 30 September 2015 and 31 December 2014, a subsidiary company operating banking business has long-term subordinated unsecured debentures as follows:

Year	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
	30 September 2015	31 December 2014		30 September 2015	31 December 2014		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2010	-	1.00	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
2015	1.00	-	1,000	1,000	-	2025	4.50 percent per annum
Total				6,643	6,643		

3.10.2 Unsubordinated unsecured debentures

As at 30 September 2015 and 31 December 2014, a subsidiary company operating banking business has short-term and long-term unsubordinated unsecured debentures as follows:

Year	Type of debentures	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		30 September 2015 (Million units)	31 December 2014 (Million units)		30 September 2015 (Million Baht)	31 December 2014 (Million Baht)		
2014	Short-term debenture	-	51.057	1,000	-	51,057	2015	2.33 - 2.85 percent per annum
2015	Short-term debenture	5.60	-	1,000	5,600	-	2016	1.75 percent per annum
2015	Short-term debenture	43.998	-	1,000	43,998	-	2016	1.52 - 1.90 percent per annum
2015	Long-term debenture	12.9	-	1,000	12,900	-	2017	1.875 - 2.00 percent per annum
Total					62,498	51,057		

3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing are between 1.70 and 2.95 percent per annum which will gradually mature in 2015 - 2016.

3.11 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Payable to clearing house	445,350	853,257	-	-
Withholding income tax and other tax payable	247,914	469,830	6,613	57,189
Accrued insurance premium	533,637	668,113	-	-
Deferred income	1,176,943	1,176,646	-	-
Accrued expenses	2,415,871	2,603,923	1,134,667	1,041,433
Suspense creditors	286,277	345,707	-	-
Other liabilities	290,039	224,570	70	68
Total other liabilities	5,396,031	6,342,046	1,141,350	1,098,690

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 2015 and 31 December 2014, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 533 million and Baht 561 million, respectively (the Company only: Baht 279 million and Baht 306 million, respectively).

3.12 Capital funds

3.12.1 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.

3.12.2 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 to Capital fund as at 30 September 2015 and 31 December 2014, 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.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	30 September 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	11,761,070	9,764,407
Other components of shareholders' equity	224,804	220,913
Less: Deductions from Common Equity Tier I items	(899,490)	(125,120)
Total Common Equity Tier I capital	23,829,084	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	23,829,085	22,602,901
<u>Tier II capital</u>		
Long-term subordinated debentures	6,643,000	6,643,000
Surplus of provision	-	340,412
Reserve for loans classified as pass	221,239	653,521
Total Tier II capital	6,864,239	7,636,933
Total capital funds	30,693,324	30,239,834

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2015		31 December 2014	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	14.15	4.50	12.55	4.50
Tier I capital to risk assets	14.15	6.00	12.55	6.00
Total capital to risk assets	18.23	8.50	16.79	8.50

3.12.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 5/2556 regarding "Public Disclosure of Capital Maintenance for Financial Business Group" the Company has disclosed capital maintenance information of financial business group as at 30 June 2015 on its website on 30 October 2015.

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Interbank and money market items	141,004	138,811	423,985	537,796
Investments in debt securities	49,277	101,495	204,116	321,971
Loans to customers	1,420,848	1,564,997	4,292,625	4,625,952
Hire purchase and finance lease	2,565,174	2,864,489	7,892,489	8,873,845
Total interest income	4,176,303	4,669,792	12,813,215	14,359,564

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Interbank and money market items	1,208	3,060	6,723	19,045
Loans to customers	15,806	28,316	57,906	89,710
Total interest income	17,014	31,376	64,629	108,755

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Deposits	854,961	1,426,657	3,178,432	4,835,431
Interbank and money market items	54,544	60,885	186,649	211,785
Contribution fee to the Deposit Protection				
Agency and Bank of Thailand	281,657	312,650	870,357	982,886
Issued debt instruments				
- Subordinated debentures	86,374	87,634	255,962	335,304
- Unsubordinated debentures	246,792	264,137	737,346	721,685
Borrowings	35,071	62,008	119,766	174,564
Total interest expenses	<u>1,559,399</u>	<u>2,213,971</u>	<u>5,348,512</u>	<u>7,261,655</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Borrowings	34,842	60,883	119,286	171,401
Total interest expenses	<u>34,842</u>	<u>60,883</u>	<u>119,286</u>	<u>171,401</u>

3.15 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 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
	(Restated)		(Restated)	
Fee and service income				
- Acceptance, aval and guarantees	2,197	2,229	6,847	7,900
- Insurance service	561,560	528,679	1,651,114	1,855,081
- Brokerage fees	191,634	269,305	636,282	636,854
- Fund management	206,065	264,122	631,545	659,415
- Financial advisory	2,402	1,250	8,752	11,051
- Others	281,009	264,670	960,553	743,034
Total fee and service income	1,244,867	1,330,255	3,895,093	3,913,335
Fee and service expenses				
- Information service expenses	(6,601)	(5,284)	(19,188)	(18,471)
- Others	(39,550)	(52,123)	(131,262)	(135,190)
Total fee and service expenses	(46,151)	(57,407)	(150,450)	(153,661)
Net fee and service income	1,198,716	1,272,848	3,744,643	3,759,674

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Fee and service income	-	-	-	-
Fee and service expenses				
- Others	(2,403)	(7,468)	(9,676)	(15,820)
Total fee and service expenses	(2,403)	(7,468)	(9,676)	(15,820)
Net fee and service income	(2,403)	(7,468)	(9,676)	(15,820)

3.16 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 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the three-month		For the nine-month		
	periods ended 30 September		periods ended 30 September		
	2015	2014	2015	2014	
				(Restated)	(Restated)
Gains (losses) on trading and foreign exchange transactions					
- Foreign currencies and derivatives on foreign exchange	76,125	9,441	122,148	26,503	
- Derivatives on interest rates	3,393	(9,695)	(12,466)	(12,175)	
- Debt securities	(669)	2,772	1,569	8,515	
- Others	-	(1)	(2)	(7)	
Net gains on trading and foreign exchange transactions	<u>78,849</u>	<u>2,517</u>	<u>111,249</u>	<u>22,836</u>	

(Unit: Thousand Baht)

	Separate financial statements				
	For the three-month		For the nine-month		
	periods ended 30 September		periods ended 30 September		
	2015	2014	2015	2014	
Gains (losses) on trading and foreign exchange transactions					
- Foreign currencies	67,879	(2,606)	89,098	(11,795)	
Net gains (losses) on trading and foreign exchange transactions	<u>67,879</u>	<u>(2,606)</u>	<u>89,098</u>	<u>(11,795)</u>	

3.17 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 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
	(Restated)		(Restated)	
Gains on disposal				
- Available-for-sale investments	2,452	86,187	116,077	97,043
- Held-to-maturity debt securities	17	-	59	17
- General investments	2,468	6,922	9,101	16,436
Total	4,937	93,109	125,237	113,496
Reversal of losses (losses) on impairment				
- General investments	(642)	2,074	(2,361)	868
Total	(642)	2,074	(2,361)	868
Gain from return of capital from a subsidiary company	-	829	-	829
Net gains on investments	4,295	96,012	122,876	115,193

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Reversal of losses on impairment				
- Investment in subsidiaries	-	-	47	-
Net gains on investments	-	-	47	-

3.18 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 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Interbank and money market items	3,500	2,100	8,000	(2,900)
Held-to-maturity debt securities	(32)	(195)	(3,164)	(196)
Loans to customers	2,162,101	1,135,695	4,376,196	3,536,017
Total	2,165,569	1,137,600	4,381,032	3,532,921

3.19 Other operating income

Other operating income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Gains on disposal of properties foreclosed	20,775	5,874	37,970	16,614
Others	5,193	8,456	23,467	21,344
Total	25,968	14,330	61,437	37,958

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Rental income	16,136	16,121	48,310	48,237
Others	427	467	1,088	1,450
Total	16,563	16,588	49,398	49,687

3.20 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015 and 2014 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Mailing expenses	15,449	14,361	48,375	44,883
Software amortisation expenses	12,610	13,405	37,288	42,225
Legal expenses	72,071	71,721	231,425	194,294
Transportation expenses	23,944	26,918	69,122	78,467
Advertising and business promotion expenses	18,245	27,069	61,743	91,414
Others	83,576	67,086	250,013	198,117
Total	225,895	220,560	697,966	649,400

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Mailing expenses	70	125	192	547
Software amortisation expenses	8,329	7,640	24,143	21,759
Transportation expenses	2,438	2,124	6,679	6,060
Advertising expenses	3,238	7,284	4,727	19,836
Others	7,439	19,584	29,354	45,937
Total	21,514	36,757	65,095	94,139

3.21 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and nine-month periods ended 30 September 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
		(Restated)		(Restated)
Current income tax:				
Income tax expenses for the period	129,769	306,678	731,541	873,203
Deferred tax:				
Deferred tax on temporary differences				
and reversion of temporary differences	67,052	(34,256)	213	(130,936)
Income tax expenses reported in the statement of comprehensive income	<u>196,821</u>	<u>272,422</u>	<u>731,754</u>	<u>742,267</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Current income tax:				
Income tax expenses for the period	43,804	17,167	85,591	56,851
Deferred tax:				
Deferred tax on temporary differences and				
reversion of temporary differences	1,353	1,007	2,997	1,670
Income tax expenses reported in the statement of comprehensive income	<u>45,157</u>	<u>18,174</u>	<u>88,588</u>	<u>58,521</u>

3.22 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
	(Restated)		(Restated)	
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	(327,819)	290,701	(176,848)	402,068
Less: Reclassification adjustments for gains included in profit or loss	(2,452)	(86,187)	(116,077)	(97,043)
	(330,271)	204,514	(292,925)	305,025
Actuarial gains (losses)	-	3,680	(20,938)	(23,958)
Share of other comprehensive income of joint venture:				
Actuarial gains (losses) of joint venture	-	-	26	(257)
Cash flow hedges of joint venture	(8,617)	237	(24,313)	3,952
Other comprehensive income	(338,888)	208,431	(338,150)	284,762
Income tax effects relating to components of other comprehensive income	66,054	(41,639)	62,737	(56,237)
Net other comprehensive income for the period	(272,834)	166,792	(275,413)	228,525

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Other comprehensive income				
Available-for-sale investments:				
Losses during the period	(207,196)	(13,324)	(151,381)	(3,093)
Actuarial losses	-	-	(11,649)	(5,210)
Other comprehensive income	(207,196)	(13,324)	(163,030)	(8,303)
Income tax effects relating to components of other comprehensive income	41,439	2,665	32,606	1,660
Net other comprehensive income for the period	(165,757)	(10,659)	(130,424)	(6,643)

3.23 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

Consolidated financial statements						
For the three-month periods ended 30 September						
2015			2014 (Restated)			
Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax expense	Net of tax amount	
Gains (losses) on valuation in available-for-sale investments	(330,271)	66,054	(264,217)	204,514	(40,903)	163,611
Actuarial gains	-	-	-	3,680	(736)	2,944
	<u>(330,271)</u>	<u>66,054</u>	<u>(264,217)</u>	<u>208,194</u>	<u>(41,639)</u>	<u>166,555</u>

(Unit: Thousand Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
2015			2014 (Restated)			
Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Gains (losses) on valuation in available-for-sale investments	(292,925)	58,585	(234,340)	305,025	(61,005)	244,020
Actuarial losses	(20,938)	4,152	(16,786)	(23,958)	4,768	(19,190)
	<u>(313,863)</u>	<u>62,737</u>	<u>(251,126)</u>	<u>281,067</u>	<u>(56,237)</u>	<u>224,830</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 September						
2015			2014			
Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax benefit	Net of tax amount	
Losses on valuation in available-for-sale investments	(207,196)	41,439	(165,757)	(13,324)	2,665	(10,659)
	<u>(207,196)</u>	<u>41,439</u>	<u>(165,757)</u>	<u>(13,324)</u>	<u>2,665</u>	<u>(10,659)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2015			2014		
Before tax amount	Tax benefit	Net of tax amount	Before tax amount	Tax benefit	Net of tax amount	
Losses on valuation in available-for-sale investments	(151,381)	30,276	(121,105)	(3,093)	618	(2,475)
Actuarial losses	(11,649)	2,330	(9,319)	(5,210)	1,042	(4,168)
	<u>(163,030)</u>	<u>32,606</u>	<u>(130,424)</u>	<u>(8,303)</u>	<u>1,660</u>	<u>(6,643)</u>

3.24 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	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	809,785	1,088,964	3,006,209	3,015,441
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	1.01	1.36	3.75	3.77

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	179,159	70,681	348,541	227,978
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	0.22	0.09	0.44	0.28

3.25 Related party transactions

As at 30 September 2015 and 31 December 2014, the balances of the accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2015	31 December 2014
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items (Assets):		
TISCO Bank Public Company Limited	662,729	529,181
Loans to customers:		
Hi-Way Co., Ltd.	1,850,000	1,548,000
TISCO Leasing Co., Ltd.	1,040,000	1,606,300
Dividend receivables:		
TISCO Bank Public Company Limited	-	1,105,742
TISCO Securities Co., Ltd.	-	150,000
TISCO Asset Management Co., Ltd.	-	399,998
TISCO Information Technology Co., Ltd.	-	17,499
TISCO Learning Center Co., Ltd.	-	19,999
Other assets:		
TISCO Bank Public Company Limited	250	89,958
TISCO Learning Center Co., Ltd.	1,975	79
Deutsche TISCO Investment Advisory Co., Ltd.	14,813	7,875
Other liabilities:		
TISCO Bank Public Company Limited	98,317	-
TISCO Securities Co., Ltd.	201	-
TISCO Learning Center Co., Ltd.	460	122

Loans to related companies

As at 30 September 2015 and 1 January 2015, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at			As at
	1 January 2015	Increase	Decrease	30 September 2015
Subsidiary companies				
Loans to customers:				
Hi-Way Co., Ltd.	1,548,000	384,000	(82,000)	1,850,000
TISCO Leasing Co., Ltd.	1,606,300	-	(566,000)	1,040,300

(Unaudited but reviewed)

(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		
	2015	2014	2015	2014	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	209,485	375,651	1,094,029	1,134,316	Determined on market price and or terms of BOT
Interest income	17,005	31,336	64,529	108,642	With reference to the terms and prices as offered to other customers
Rental income	15,889	15,883	47,557	47,517	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	42,000	44,750	126,000	134,250	Determined on market price and/or terms of BOT
Training expenses	1,358	980	3,015	3,223	With reference to the prices as offered from other service providers
Other expenses	235	225	1,767	1,517	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 2015	31 December 2014
Loans ⁽¹⁾	29,535	22,506

⁽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 2015	31 December 2014
Deposits	142,981	224,784

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2015 and 2014, the Company and its subsidiaries had short-term benefit paid to their directors and management during the period and other employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Short-term benefits	151	75	269	192
Post-employment benefits	10	2	29	5
Total	161	77	298	197

(Unit: Million Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2015	2014	2015	2014
Short-term benefits	116	50	191	122
Post-employment benefits	6	1	18	3
Total	122	51	209	125

3.26 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 2015 and 2014, respectively.

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the three-month period ended 30 September 2015							
Revenue							
External customers	3,674	195	258	52	4,179	-	4,179
Inter-segment	20	60	-	346	426	(426)	-
Total revenue	3,694	255	258	398	4,605	(426)	4,179
Operating results:							
Net interest income	2,628	4	2	(17)	2,617	-	2,617
Net fee and service income	798	247	256	121	1,422	(223)	1,199
Other operating income	268	4	-	294	566	(203)	363
Total operating income	3,694	255	258	398	4,605	(426)	4,179
Depreciation and amortisation	(216)	(20)	(8)	(117)	(361)	118	(243)
Other operating expenses	(752)	(220)	(99)	(24)	(1,095)	328	(767)
Bad debt, doubtful accounts and impairment losses	(2,166)	-	-	-	(2,166)	-	(2,166)
Total operating expenses	(3,134)	(240)	(107)	(141)	(3,622)	446	(3,176)
Segment profit	560	15	151	257	983	20	1,003
Income tax expenses							(197)
Non-controlling interests of the subsidiaries							4
Profit for the period - equity holders of the Company							810

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the nine-month period ended 30 September 2015							
Revenue							
External customers	10,543	802	876	37	12,258	-	12,258
Inter-segment	43	193	2	1,488	1,726	(1,726)	-
Total revenue	10,586	995	878	1,525	13,984	(1,726)	12,258
Operating results:							
Net interest income	7,490	21	6	(52)	7,465	-	7,465
Net fee and service income	2,336	858	868	344	4,406	(661)	3,745
Other operating income	760	116	4	1,233	2,113	(1,065)	1,048
Total operating income	10,586	995	878	1,525	13,984	(1,726)	12,258
Depreciation and amortisation	(655)	(68)	(24)	(343)	(1,090)	354	(736)
Other operating expenses	(3,135)	(673)	(344)	(684)	(4,836)	1,440	(3,396)
Bad debt, doubtful accounts and impairment losses	(4,381)	-	-	-	(4,381)	-	(4,381)
Total operating expenses	(8,171)	(741)	(368)	(1,027)	(10,307)	1,794	(8,513)
Segment profit	2,415	254	510	498	3,677	68	3,745
Income tax expenses							(732)
Non-controlling interests of the subsidiaries							(7)
Profit for the period - equity holders of the Company							3,006

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the three-month period ended							
30 September 2014 - restated							
Revenue							
External customers	3,501	275	320	(64)	4,032	-	4,032
Inter-segment	2	72	1	545	620	(620)	-
Total revenue	3,503	347	321	481	4,652	(620)	4,032
Operating results:							
Net interest income	2,474	8	2	(28)	2,456	-	2,456
Net fee and service income	737	334	318	120	1,509	(236)	1,273
Other operating income	292	5	1	389	687	(384)	303
Total operating income	3,503	347	321	481	4,652	(620)	4,032
Depreciation and amortisation	(216)	(21)	(6)	(119)	(362)	123	(239)
Other operating expenses	(1,146)	(251)	(124)	(263)	(1,784)	502	(1,282)
Bad debt, doubtful accounts and impairment losses	(1,138)	-	-	-	(1,138)	-	(1,138)
Total operating expenses	(2,500)	(272)	(130)	(382)	(3,284)	625	(2,659)
Segment profit	1,003	75	191	99	1,368	5	1,373
Income tax expenses							(273)
Non-controlling interests of the subsidiaries							(11)
Profit for the period - equity holders of the Company							1,089

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the nine-month period ended							
30 September 2014 - restated							
Revenue							
External customers	10,363	670	793	(165)	11,661	-	11,661
Inter-segment	(16)	201	1	1,643	1,829	(1,829)	-
Total revenue	10,347	871	794	1,478	13,490	(1,829)	11,661
Operating results:							
Net interest income	7,124	27	6	(59)	7,098	-	7,098
Net fee and service income	2,469	821	784	364	4,438	(678)	3,760
Other operating income	754	23	4	1,173	1,954	(1,151)	803
Total operating income	10,347	871	794	1,478	13,490	(1,829)	11,661
Depreciation and amortisation	(663)	(61)	(18)	(341)	(1,083)	370	(713)
Other operating expenses	(3,288)	(680)	(347)	(810)	(5,125)	1,485	(3,640)
Bad debt, doubtful accounts and impairment losses	(3,531)	-	-	-	(3,531)	(2)	(3,533)
Total operating expenses	(7,482)	(741)	(365)	(1,151)	(9,739)	1,853	(7,886)
Segment profit	2,865	130	429	327	3,751	24	3,775
Income tax expenses							(742)
Non-controlling interests of the subsidiaries							(18)
Profit for the period - equity holders of the Company							(3,015)

3.27 Commitments and contingent liabilities

3.27.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2015	31 December 2014
Avals	13,479	7,151
Other guarantees	669,310	628,138
Undrawn client overdraft facilities	30,000	34,070
Interest rate swap agreements	1,200,000	1,200,000
Cross currency swap agreements	7,273,920	3,296,300
Total	9,186,709	5,165,659

3.27.2 Litigation

As at 30 September 2015 and 31 December 2014, the subsidiaries have been sued for compensation totaling approximately Baht 367 million and Baht 363 million, respectively. Final judgements 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.

3.27.3 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 buildings and branch offices. The terms of the agreements are generally 3 - 10 years.

As at 30 September 2015 and 31 December 2014, the subsidiary companies have future minimum lease payments required under these non-cancellable operating lease contracts as follows:

(Unit: Million Baht)

	As at	
	30 September 2015	31 December 2014
Payable within:		
Not over 1 year	131	146
Over 1 to 5 years	133	183
Over 5 years	53	60

3.28 Fair value of financial instruments

The Company and its subsidiaries use 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 Company and its subsidiaries endeavor to maximise the use of observable inputs that are relevant to the assets or liabilities to be measured at fair value. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising the inputs used in the valuation techniques into three levels to determine their fair value, as follows:

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

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

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

As of 30 September 2015, the Company and its subsidiaries have the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements as at 30 September 2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	356	-	-	356
Debt instruments	-	6,931	-	6,931
Unit trusts	782	28	-	810
Financial liabilities measured at fair value				
Derivatives				
Interest rate swaps	-	37	-	37
Cross currency swap	-	76	-	76

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements as at 30 September 2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Unit trusts	782	-	-	782

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 investments in non-marketable unit trusts has been determined by using the net asset value per unit amounted by fund manager.
- 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.

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)		
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>	
Annual dividends for 2014	The 2015 Annual General Meeting of the Shareholders on 23 April 2015	2.00	2.00	1,601	May 2015
Total dividend payment in year 2015				<u>1,601</u>	

5. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 November 2015.