

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
For the three-month period ended 31 March 2016

Independent Auditor's Report on Review of Interim Financial Information
To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 31 March 2016, the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 9 May 2016

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,093,978	1,101,291	70	70
Interbank and money market items - net		36,656,643	31,162,645	805,441	416,723
Investments - net	3.3, 3.7	6,870,940	8,332,419	747,442	773,250
Investment in subsidiaries and joint venture - net	3.4	324,437	284,107	19,370,076	19,370,077
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		254,319,040	259,724,989	2,460,800	2,699,200
Accrued interest receivables		502,786	542,488	-	-
Total loans to customers and accrued interest receivables		254,821,826	260,267,477	2,460,800	2,699,200
Less: Deferred revenue		(21,153,125)	(21,465,152)	-	-
Less: Allowance for doubtful accounts	3.6	(6,389,064)	(6,168,270)	-	-
Loans to customers and accrued interest receivables - net		227,279,637	232,634,055	2,460,800	2,699,200
Properties foreclosed - net		69,519	47,390	-	-
Investment properties		32,157	32,157	778,245	778,245
Premises and equipment - net		2,600,558	2,633,339	871,901	877,253
Intangible assets - net		402,262	379,659	87,371	90,562
Deferred tax assets		395,314	317,686	128,609	130,154
Securities and derivatives business receivables - net		1,254,053	1,130,190	-	-
Dividend receivable from subsidiaries		-	-	-	1,842,237
Other assets	3.8	2,080,257	2,238,741	149,395	152,048
Total assets		279,059,755	280,293,679	25,399,350	27,129,819

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.9	152,872,634	158,344,190	-	-
Interbank and money market items - net		12,304,453	10,030,060	-	-
Liabilities payable on demand		411,159	356,335	-	-
Derivatives liabilities	3.2	49,116	41,898	-	-
Debts issued and borrowings	3.10	75,016,919	74,518,919	4,950,000	6,900,000
Provision for long-term employee benefits		477,855	466,933	108,743	106,791
Deferred tax liabilities		1,649	1,748	-	-
Securities and derivatives business payables - net		1,569,976	1,275,029	-	-
Accrued interest payable		938,596	896,969	26,214	30,285
Income tax payable		643,434	312,895	25,488	28,176
Other liabilities	3.11	5,279,259	5,854,374	1,200,433	1,033,793
Total liabilities		249,565,050	252,099,350	6,310,878	8,099,045

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2016

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	31 March 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
10,858 preference shares of Baht 10 each	109	186	109	186
800,644,625 ordinary shares of Baht 10 each	8,006,446	8,006,369	8,006,446	8,006,369
	8,006,555	8,006,555	8,006,555	8,006,555
Share premium				
Share premium on preference shares	-	-	96	163
Share premium on ordinary shares	1,018,408	1,018,408	7,031,427	7,031,360
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of equity	1,423,415	1,381,775	90,963	94,016
Retained earnings				
Appropriated-statutory reserve	709,500	709,500	709,500	709,500
Unappropriated	18,236,324	16,979,196	3,249,931	3,189,180
Equity attributable to owners of the Company	29,394,202	28,095,434	19,088,472	19,030,774
Non-controlling interests of the subsidiaries	100,503	98,895	-	-
Total equity	<u>29,494,705</u>	<u>28,194,329</u>	<u>19,088,472</u>	<u>19,030,774</u>
Total liabilities and equity	<u>279,059,755</u>	<u>280,293,679</u>	<u>25,399,350</u>	<u>27,129,819</u>

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



Mr. Chatri Chandrangam

(Executive Vice President Risk & Financial Control)



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



(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Interest income	3.13	4,066,599	4,373,763	14,839	26,024
Interest expenses	3.14	(1,374,403)	(1,974,232)	(27,155)	(46,244)
Net interest income		2,692,196	2,399,531	(12,316)	(20,220)
Fee and service income		1,338,821	1,302,496	-	-
Fee and service expenses		(57,855)	(58,403)	(3,721)	(3,715)
Net fee and service income	3.15	1,280,966	1,244,093	(3,721)	(3,715)
Net losses on trading and foreign exchange transactions	3.16	(33,662)	(2,913)	(22,459)	(10,621)
Net gains on investments	3.17	9,550	106,111	-	59
Share of profit from investment accounted for under equity method	3.4.2	19,535	20,700	-	-
Dividend income		31,220	60,220	-	-
Penalty fee income from loans		93,800	119,156	-	-
Income from business promotion relating to the hire purchase business		82,873	50,749	-	-
Intercompany supporting fee income	3.25	-	-	506,094	492,724
Other operating income	3.19, 3.25	29,754	17,247	16,984	16,497
Total operating income		4,206,232	4,014,894	484,582	474,724
Expenses from business promotion relating to the hire purchase business		92,678	52,671	-	-
Total net operating income		4,113,554	3,962,223	484,582	474,724
Operating expenses					
Employee's expenses		1,067,780	990,268	302,566	295,280
Directors' remuneration		3,180	3,130	3,180	3,130
Premises and equipment expenses		225,667	231,416	87,289	86,690
Taxes and duties		50,601	55,553	1,623	2
Other operating expenses	3.20	219,110	220,201	14,246	15,057
Total operating expenses		1,566,338	1,500,568	408,904	400,159
Bad debt, doubtful accounts and impairment losses	3.18	981,484	971,551	-	-
Profit from operating before income tax expenses		1,565,732	1,490,104	75,678	74,565
Income tax expenses	3.21	308,883	291,671	15,301	15,389
Profit for the period		1,256,849	1,198,433	60,377	59,176

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 31 March 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		29,156	(22,970)	(3,349)	15,006
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture		20,796	(10,026)	-	-
Income tax effects	3.23	(5,831)	4,594	670	(3,001)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		44,121	(28,402)	(2,679)	12,005
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(650)	(1,658)	-	-
Income tax effects	3.23	89	331	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(561)	(1,327)	-	-
Other comprehensive income for the period		43,560	(29,729)	(2,679)	12,005
Total comprehensive income for the period		1,300,409	1,168,704	57,698	71,181
Profit attributable to					
Equity holders of the Company	3.24	1,255,033	1,192,468	60,377	59,176
Non-controlling interests of the subsidiaries		1,816	5,965		
Total comprehensive income attributable to		1,256,849	1,198,433		
Equity holders of the Company		1,298,768	1,162,739	57,698	71,181
Non-controlling interests of the subsidiaries		1,641	5,965		
		1,300,409	1,168,704		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	1.57	1.49	0.08	0.07

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flows statement****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before income tax	1,565,732	1,490,104	75,679	74,565
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	54,771	52,468	21,842	18,158
Bad debt and doubtful accounts	1,486,463	1,375,226	-	-
Share of profit from investment accounted for under equity method	(19,535)	(20,700)	-	-
Reversal of allowance for impairment of investments	(116)	(1,536)	-	(59)
Allowance for impairment of properties foreclosed	47	79	-	-
Gain on disposal of investments in securities	(9,550)	(107,620)	-	-
Unrealised loss on foreign exchange transactions and trading derivatives	29,673	45,297	22,459	10,621
Gain on disposal of equipment	(3,578)	(1,500)	(502)	-
Loss on written-off of equipment	-	331	-	-
Gain on disposal of properties foreclosed	(18,936)	(8,955)	-	-
Employee benefit expenses	13,244	13,129	2,512	2,269
Decrease (increase) in accrued income	(17,282)	6,563	(6,528)	(13,152)
Increase in accrued expenses	98,611	48,366	198,095	214,677
Net interest income	(2,692,196)	(2,399,531)	12,315	20,220
Dividend income	(31,220)	(60,220)	-	-
Cash received on interest income	4,164,518	4,370,604	14,697	25,482
Cash paid on interest expenses	(1,096,712)	(1,604,089)	(31,225)	(45,074)
Cash received on dividend income	28,520	28,520	1,842,237	1,693,238
Cash paid on income tax expenses	(64,375)	(56,405)	(15,774)	(15,283)
Profit from operating activities before changes in operating assets and liabilities	3,488,079	3,170,131	2,135,807	1,985,662
Operating assets (increase) decrease				
Interbank and money market items	(5,493,995)	8,001,060	(388,718)	(427,565)
Loans to customers	3,193,365	6,310,650	238,400	196,300
Securities and derivative business receivables	(123,862)	(647,578)	-	-
Receivables from clearing house	(260,838)	193,181	-	-
Properties foreclosed	631,627	800,186	-	-
Other assets	321,002	4,304	9,324	(11,637)

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flows statement (continued)****For the three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Operating liabilities increase (decrease)				
Deposits	(5,471,557)	(5,234,833)	-	-
Interbank and money market items	2,274,393	407,969	-	-
Liability payable on demand	54,824	44,065	-	-
Securities and derivative business payables	294,947	569,059	-	-
Short-term debts issued and borrowings	(10,002,000)	(12,479,100)	(1,950,000)	(1,655,100)
Payable to clearing house	88,130	(117,022)	-	-
Provision for long-term employee benefits	(2,971)	(5,948)	(560)	(797)
Other liabilities	(935,251)	(469,205)	(31,457)	(33,527)
Net cash flows from (used in) operating activities	(11,944,107)	546,919	12,796	53,336
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(2,059,426)	(7,421,237)	-	-
Cash received from disposal of investment in securities held for investment	3,537,236	6,837,206	-	-
Cash paid for purchase of equipment	(35,595)	(56,025)	(9,198)	(47,017)
Cash paid for purchase of intangible assets	(8,999)	(7,117)	(4,100)	(6,319)
Cash received from disposal of equipment	3,578	1,500	502	-
Net cash flows from (used in) investing activities	1,436,794	(645,673)	(12,796)	(53,336)
Cash flows from financing activities				
Dividend paid	-	(139)	-	-
Cash received from issuance of long-term debentures	10,500,000	-	-	-
Net cash flows used in financing activities	10,500,000	(139)	-	-
Net decrease in cash	(7,313)	(98,893)	-	-
Cash at beginning of the period	1,101,291	1,180,482	70	70
Cash at end of the period	1,093,978	1,081,589	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 equity

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of equity													
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 equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of		
Preference shares	Ordinary shares							Appropriated	Unappropriated		the Company	the subsidiaries	Total
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
Profit for the period	-	-	-	-	-	-	-	-	-	1,192,468	1,192,468	5,965	1,198,433
Other comprehensive income for the period	-	-	-	(18,376)	-	(10,026)	-	(28,402)	-	(1,327)	(29,729)	-	(29,729)
Total comprehensive income for the period	-	-	-	(18,376)	-	(10,026)	-	(28,402)	-	1,191,141	1,162,739	5,965	1,168,704
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,472)	-	-	(2,472)	-	2,472	-	-	-
Balance as at 31 March 2015	<u>336</u>	<u>8,006,219</u>	<u>1,018,408</u>	<u>83,104</u>	<u>906,777</u>	<u>(19,667)</u>	<u>679,266</u>	<u>1,649,480</u>	<u>596,300</u>	<u>15,622,681</u>	<u>26,893,424</u>	<u>98,973</u>	<u>26,992,397</u>
Balance as at 1 January 2016	186	8,006,369	1,018,408	(166,292)	899,244	(30,443)	679,266	1,381,775	709,500	16,979,196	28,095,434	98,895	28,194,329
Profit for the period	-	-	-	-	-	-	-	-	-	1,255,033	1,255,033	1,816	1,256,849
Other comprehensive income for the period	-	-	-	23,325	-	20,796	-	44,121	-	(386)	43,735	(175)	43,560
Total comprehensive income for the period	-	-	-	23,325	-	20,796	-	44,121	-	1,254,647	1,298,768	1,641	1,300,409
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(2,481)	-	-	(2,481)	-	2,481	-	-	-
Preference shares converted to ordinary shares	(77)	77	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2016	<u>109</u>	<u>8,006,446</u>	<u>1,018,408</u>	<u>(142,967)</u>	<u>896,763</u>	<u>(9,647)</u>	<u>679,266</u>	<u>1,423,415</u>	<u>709,500</u>	<u>18,236,324</u>	<u>29,394,202</u>	<u>100,503</u>	<u>29,494,705</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Separate financial statements									
					Other components of equity					
	Issued and paid-up		Share premium		Surplus (deficit) on change in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of equity	Retained earnings		Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares				Appropriated	Unappropriated	
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
Profit for the period	-	-	-	-	-	-	-	-	59,176	59,176
Other comprehensive income for the period	-	-	-	-	12,005	-	12,005	-	-	12,005
Total comprehensive income for the period	-	-	-	-	12,005	-	12,005	-	59,176	71,181
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(370)	(370)	-	370	-
Balance as at 31 March 2015	<u>336</u>	<u>8,006,219</u>	<u>295</u>	<u>7,031,228</u>	<u>(193)</u>	<u>229,120</u>	<u>228,927</u>	<u>596,300</u>	<u>2,706,397</u>	<u>18,569,702</u>
Balance as at 1 January 2016	186	8,006,369	163	7,031,360	(133,973)	227,989	94,016	709,500	3,189,180	19,030,774
Profit for the period	-	-	-	-	-	-	-	-	60,377	60,377
Other comprehensive income for the period	-	-	-	-	(2,679)	-	(2,679)	-	-	(2,679)
Total comprehensive income for the period	-	-	-	-	(2,679)	-	(2,679)	-	60,377	57,698
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(374)	(374)	-	374	-
Preference shares converted to ordinary shares	(77)	77	(67)	67	-	-	-	-	-	-
Balance as at 31 March 2016	<u>109</u>	<u>8,006,446</u>	<u>96</u>	<u>7,031,427</u>	<u>(136,652)</u>	<u>227,615</u>	<u>90,963</u>	<u>709,500</u>	<u>3,249,931</u>	<u>19,088,472</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month period ended 31 March 2016

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 2015) "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 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. 21/2558 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 4 December 2015.

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 2015. 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 venture under the cost method.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. 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.

1.5 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 2015, except for the changes in significant accounting estimation as follows:

Allowance for doubtful accounts

During the first quarter of 2016, TISCO Bank changed an accounting estimate used for recording allowance for doubtful accounts for loan against auto license receivables, as follows:

TISCO Bank changed to setting aside allowance for doubtful accounts for loan against auto license receivables using a collective approach, based on historical loss and behavioral grading of the loan against auto license receivables, rather than rates of not less than 1% and not less than 2% of the debt balance net of collateral value excluding accrued interest receivables for loans classified as pass and special mention, respectively, and at 100% of the debt balance remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount interest rate and the year of collateral disposal being set with reference to BOT's Notifications, for non-performing loans that are classified as sub-standard, doubtful and doubtful of loss.

Such allowances are set aside in accordance with the BOT's Notifications issued on 3 August 2008.

The effect of this change in accounting estimate used in recording allowance for doubtful accounts was to decrease the outstanding balance of allowance for doubtful accounts for loans against auto license receivables as at 31 March 2016 by Baht 237 million. However, TISCO Bank did not reverse the decrease in allowance for doubtful accounts to revenue and instead retained the allowance as excess reserves.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2016 and 31 December 2015 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			31 March 2016	31 December 2015
<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 to manage the risk associated with its loans to customers as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	31 March 2016			31 December 2015		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Interest rate	-	49,116	1,200,000	-	41,898	1,200,000
Total	-	49,116	1,200,000	-	41,898	1,200,000

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	
	31 March 2016	31 December 2015
Available-for-sale investments - fair value		
Government and state enterprise securities	3,973,740	5,352,523
Private sector debt securities	1,299,417	1,398,187
Foreign sector debt securities	-	5
Domestic marketable equity securities	376,778	335,047
Other securities - domestic unit trusts	28,675	28,519
Other securities - foreign unit trusts	747,442	773,250
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	6,424,592	7,886,071
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	14,286	14,402
Less: Allowance for impairment	(14,095)	(14,211)
Total held-to-maturity debt securities	191	191
General investments - cost		
Domestic non-marketable equity securities	493,479	493,479
Less: Allowance for impairment	(47,322)	(47,322)
Total general investments	446,157	446,157
Investments - net	6,870,940	8,332,419

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2016	31 December 2015
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	747,442	773,250

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	31 March 2016				31 December 2015			
	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	3,974	-	-	3,974	4,605	747	-	5,352
Private sector debt securities	106	1,193	-	1,299	107	1,291	-	1,398
Total	4,080	1,193	-	5,273	4,712	2,038	-	6,750
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,079	1,193	-	5,272	4,711	2,038	-	6,749
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	14	-	-	14
Less: Allowance for impairment	(14)	-	-	(14)	(14)	-	-	(14)
Total	-	-	-	-	-	-	-	-
Total debt securities	4,079	1,193	-	5,272	4,711	2,038	-	6,749

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restrictions
	31 March 2016	31 December 2015	
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 31 March 2016		
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	7,060	-	7,060

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2015		
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	7,060	-	7,060

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	31 March 2016			31 December 2015		
	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	4,372	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	3,468	-	10	3,468	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,127	-	10	17,127	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Investment in subsidiaries	-	-	19,296,831	19,296,832
Investment in joint venture	324,437	284,107	73,245	73,245
	<u>324,437</u>	<u>284,107</u>	<u>19,370,076</u>	<u>19,370,077</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 three-month periods ended	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
				(%)	(%)				
<u>Subsidiaries directly held by the Company</u>									
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	-	-
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)

		Consolidated financial statements					
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	324,437	284,107

(Unit: Thousand Baht)

		Separate financial statements							
Jointly Controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(%)	(%)						
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 other comprehensive income 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 31 March		Share of other comprehensive income from investment in joint venture for the three-month periods ended 31 March		Dividend received for the three-month periods ended 31 March	
	2016	2015	2016	2015	2016	2015
TISCO Tokyo Leasing Co., Ltd.	19,535	20,700	20,795	(8,617)	-	-

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Loans to customers		
Loans	66,572,277	67,597,088
Hire purchase receivables	187,283,878	191,591,969
Finance lease receivables	715,878	794,467
Less: Deferred revenue	(21,153,125)	(21,465,152)
Advances received from finance lease receivables	(252,993)	(258,535)
Total loans to customers	233,165,915	238,259,837
Add: Accrued interest receivables	502,786	542,488
Less: Allowance for doubtful accounts	(6,389,064)	(6,168,270)
Loans to customers and accrued interest receivables - net	<u>227,279,637</u>	<u>232,634,055</u>

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2016	31 December 2015
Loans to customers		
Loans	2,460,800	2,699,200
Loans to customers and accrued interest receivables - net	<u>2,460,800</u>	<u>2,699,200</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	31 March 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	233,165,915	-	233,165,915	238,259,837	-	238,259,837
Total loans to customers						
net of deferred revenue	<u>233,165,915</u>	-	<u>233,165,915</u>	<u>238,259,837</u>	-	<u>238,259,837</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	31 March 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,460,800	-	2,460,800	2,699,200	-	2,699,200
Total loans to customers						
net of deferred revenue	<u>2,460,800</u>	-	<u>2,460,800</u>	<u>2,699,200</u>	-	<u>2,699,200</u>

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

(Unit: Million Baht)

	As at					
	31 March 2016			31 December 2015		
	Net amount			Net amount		
Loans to customers and accrued interest receivables	used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivables	used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	
Provision under BOT's guidelines						
- Pass	207,734	186,592	1,994	211,415	189,112	1,871
- Special mention	15,667	15,402	1,148	16,448	16,195	1,163
- Sub-standard	2,650	2,588	726	2,713	2,690	931
- Doubtful	1,631	1,627	447	1,938	1,931	599
- Doubtful of loss	2,150	1,611	654	2,255	1,695	694
Allowance established in excess	-	-	866	-	-	312
Total	229,832	207,820	5,835	234,769	211,623	5,570

⁽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 31 March 2016, 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 1,651 million (As at 31 December 2015: total of Baht 1,131 million). TISCO Bank allocated Baht 786 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2015: total of Baht 819 million) and so combined with the minimum provision requirement of Baht 4,183 million (As at 31 December 2015: total of Baht 4,439 million), the total provision set aside in accordance with BOT's requirement is Baht 4,969 million (As at 31 December 2015: total of Baht 5,258 million).

Percentage of allowance for doubtful accounts set up

	Loan against auto license					
	Hire purchase receivables ⁽¹⁾		receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at		As at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015 ⁽³⁾	31 March 2016	31 December 2015
Pass	0.75	0.68	1.39	1.12	1	1
Special mention	5.47	5.34	16.80	16.80	2	2
Sub-standard	23.57	23.38	31.98	100	100	100
Doubtful	23.32	22.91	31.98	100	100	100
Doubtful of loss	22.69	22.57	31.98	100	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⁾ As at 31 December 2015, TISCO Bank did not use collective approach for loan against auto license receivables.

3.5.4 Hire purchase and finance lease receivables

As at 31 March 2016, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 166,833 million (31 December 2015: Baht 170,900 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 31 March 2016					
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	62,239	112,346	5,164	8,251	188,000
Less: Deferred revenue ⁽¹⁾	(8,199)	(9,865)	(160)	(2,690)	(20,914)
Advances received from finance lease receivables	(46)	(205)	-	(2)	(253)
Present value of minimum lease pay from agreements	53,994	102,276	5,004	5,559	166,833
Allowance for doubtful accounts ⁽²⁾					(3,494)
Net hire purchase and finance lease receivables					163,339

⁽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.

(Unit: Million Baht)

Consolidated financial statement as at 31 December 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	63,210	115,256	5,267	8,653	192,386
Less: Deferred revenue ⁽¹⁾	(8,390)	(10,115)	(163)	(2,559)	(21,227)
Advances received from finance lease receivables	(37)	(222)	-	-	(259)
Present value of minimum lease pay from agreements	54,783	104,919	5,104	6,094	170,900
Allowance for doubtful accounts ⁽²⁾					(3,571)
Net hire purchase and finance lease receivables					167,329

⁽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)

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		Amounts calculated	
	under BOT's guidelines ⁽²⁾ as at		under TISCO Bank's policy as at	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	7,653	7,315	7,702	8,184

⁽¹⁾ These amounts are calculated on an account by account basis.

⁽²⁾ Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

(Unit: Million Baht)

Other subsidiaries	As at	
	31 March	31 December
	2016	2015
Hire purchase receivables, finance lease receivables and other loans receivables for which the recognition of interest income has been ceased	813	880

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

(Unit: Million Baht)

Deferred revenue ⁽¹⁾	Consolidated financial statements as at	
	31 March 2016	31 December 2015
	21,153	21,465

⁽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	
	ended 31 March	
	2016	2015
Debtors restructured during the period		
Number of debtors restructured by modification of terms (number)	2,093	1,690
Loan balances before restructuring (Million Baht)	572	609
Loan balances after restructuring (Million Baht)	578	613
Loss on troubled debt restructuring (Million Baht)	-	-
Average contract period of debt restructuring (year)		
Hire purchase receivables	5	5
Mortgage loan receivables	2	2
Loan against auto license receivables	4	4

Supplemental information for the three-month periods ended 31 March 2016 and 2015 relating to the restructured debts is as follows:

	(Unit: Million Baht)	
	For the three-month periods	
	ended 31 March	
	2016	2015
Interest income on restructured receivables	81	26
Receipt of principal and interest	223	83

As at 31 March 2016 and 31 December 2015, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

	(Unit: Million Baht)			
	As at			
	31 March 2016		31 December 2015	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured receivables	13,661	4,091	11,757	3,754

3.6 Allowance for doubtful accounts

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statement as at 31 March 2016

	Allowance						Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	established in excess	
Balance - beginning							
of period	1,986,095	1,269,078	1,073,807	712,133	815,222	311,935	6,168,270
Increase (decrease) in allowance for doubtful accounts during the period	120,957	(23,871)	(175,665)	510,409	500,417	554,216	1,486,463
Bad debt written-off	(293)	(4,020)	(47,487)	(669,447)	(544,422)	-	(1,265,669)
Balance - end of period	<u>2,106,759</u>	<u>1,241,187</u>	<u>850,655</u>	<u>553,095</u>	<u>771,217</u>	<u>866,151</u>	<u>6,389,064</u>

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2015

	Allowance						Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	established in excess	
Balance - beginning of year	1,953,919	2,599,444	1,208,484	734,070	263,755	190,751	6,950,423
Increase in allowance for doubtful accounts during the year	34,373	2,327,517	543,692	2,743,797	1,317,153	121,184	7,087,716
Transfer in (Transfer out)	-	(3,636,960)	-	-	3,636,960	-	-
Bad debt written-off	(2,197)	(20,923)	(678,369)	(2,765,734)	(4,402,646)	-	(7,869,869)
Balance - end of year	<u>1,986,095</u>	<u>1,269,078</u>	<u>1,073,807</u>	<u>712,133</u>	<u>815,222</u>	<u>311,935</u>	<u>6,168,270</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 31 March 2016			
	Individual impairment	Collective impairment	Allowance	Total
			established in excess	
Balance - beginning of period	2,300,466	3,555,869	311,935	6,168,270
Increase (decrease) in allowance for doubtful accounts during the period	(771,230)	1,703,477	554,216	1,486,463
Bad debt written-off	(44,953)	(1,220,716)	-	(1,265,669)
Balance - end of period	<u>1,484,283</u>	<u>4,038,630</u>	<u>866,151</u>	<u>6,389,064</u>

(Unit: Thousand Baht)

	Consolidated financial statement as at 31 December 2015			
	Individual impairment	Collective impairment	Allowance	Total
			established in excess	
Balance - beginning of year	3,492,971	3,266,701	190,751	6,950,423
Increase in allowance for doubtful accounts during the year	3,060,470	3,906,062	121,184	7,087,716
Bad debt written-off	(4,252,975)	(3,616,894)	-	(7,869,869)
Balance - end of year	<u>2,300,466</u>	<u>3,555,869</u>	<u>311,935</u>	<u>6,168,270</u>

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

(Unit: Million Baht)

	As at	
	31 March 2016	31 December 2015
Non-performing loans to customers	6,431	6,906
Allowance for doubtful accounts ⁽¹⁾	1,827	2,224

⁽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 as at	
	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015
Debt instruments - debentures ⁽¹⁾	1	1	-	-	1	1
Equity instruments - ordinary shares ⁽²⁾	6	6	-	-	6	6

⁽¹⁾ Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

⁽²⁾ 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 31 March 2016 and 31 December 2015, 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	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Pass	241,639	238,906	-	-	-	-	-	-	241,639	238,906
Special mention	15,485	16,254	-	-	-	-	-	-	15,485	16,254
Sub-standard	2,650	2,713	-	-	-	-	-	-	2,650	2,713
Doubtful	1,631	1,938	-	-	-	-	-	-	1,631	1,938
Doubtful of loss	2,150	2,255	49	49	14	14	1	1	2,214	2,319
Total	263,555	262,066	49	49	14	14	1	1	263,619	262,130

⁽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 which a subsidiary company operating banking business sets aside provision using a collective approach

3.7.3.1 Hire purchase receivables

(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	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
					(%)	(%)		
Pass	144,329	146,900	144,329	146,900	0.75	0.68	1,082	1,000
Special mention	13,677	14,458	13,677	14,458	5.47	5.34	748	772
Sub-standard	2,184	2,296	2,184	2,296	23.57	23.38	515	537
Doubtful	1,445	1,728	1,445	1,728	23.32	22.91	337	396
Doubtful of loss	1,226	1,306	1,226	1,306	22.69	22.57	278	295
Total	162,861	166,688	162,861	166,688			2,960	3,000

⁽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.

3.7.3.2 Loans against auto license receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting the allowance for doubtful accounts		Percentage of allowance for doubtful account set up ^{(1) (2)}		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
					(%)	(%)		
Pass	15,147	14,772	15,147	14,772	1.39	1.12	211	165
Special mention	1,307	1,331	1,307	1,331	16.80	16.80	220	223
Sub-standard	285	296	285	296	31.98	100	91	296
Doubtful	105	116	105	116	31.98	100	33	116
Doubtful of loss	18	20	18	20	31.98	100	6	20
Total	16,862	16,535	16,862	16,535			561	820

⁽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⁾ As at 31 December 2015, TISCO Bank did not use collective approach for loans against auto license receivables.

⁽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	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Pass	2,519	2,576	113	114	2,406	2,462
Special mention	555	623	93	105	462	518
Sub-standard	236	276	125	143	111	133
Doubtful	205	220	106	113	99	107
Doubtful of loss	286	299	117	122	169	177
Total	3,801	3,994	554	597	3,247	3,397

3.7.5 Loans to customers 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	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET	-	-	-	-	-	-	-	-
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	1	1	821	821	497	497	324	324
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	1	821	821	497	497	324	324

(Unaudited but reviewed)

3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Receivable from clearing house	508,974	248,136	-	-
Value added tax - net	331,281	675,142	3,824	1,089
Accrued interest receivables	30,747	19,911	-	-
Fee and service receivables	265,509	248,227	118,432	111,903
Refundable income tax and prepaid income tax	30,626	29,362	-	-
Deposits	57,036	55,982	2,112	2,106
Other receivables	443,182	558,646	-	54
Other assets	412,902	403,335	25,027	36,896
Total other assets	<u>2,080,257</u>	<u>2,238,741</u>	<u>149,395</u>	<u>152,048</u>

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Deposits		
Current accounts	3,970,968	3,122,043
Saving accounts	45,941,086	48,272,465
Fixed accounts		
- not over 6 months	14,790,584	15,505,231
- over 6 months but not over 1 year	1,986,474	1,859,691
- over 1 year	392,387	369,246
Certificates of deposit/negotiable certificates of deposit	<u>85,791,135</u>	<u>89,215,514</u>
Total	<u>152,872,634</u>	<u>158,344,190</u>

3.9.2 Classified by the remaining period of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Not over 1 year ⁽¹⁾	152,375,900	157,844,248
Over 1 year	496,734	499,942
Total deposits	152,872,634	158,344,190

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 31 March 2016 and 31 December 2015, all outstanding deposits are deposits from domestic depositors and in Baht.

3.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,643,000	6,643,000	-	-
Unsubordinated unsecured debentures	63,387,000	60,939,000	-	-
Bills of exchange	4,986,122	6,936,122	4,950,000	6,900,000
Promissory notes	797	797	-	-
Total	75,016,919	74,518,919	4,950,000	6,900,000

3.10.1 Subordinated unsecured debentures

As at 31 March 2016 and 31 December 2015, 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
	31 March 2016	31 December 2015		31 March 2016	31 December 2015		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
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	1.00	1,000	1,000	1,000	2025	4.50 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.25 percent per annum
Total				6,643	6,643		

3.10.2 Unsubordinated unsecured debentures

As at 31 March 2016 and 31 December 2015, 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 as at		Maturity in the year	Interest rate
		31 March	31 December		31 March	31 December		
		2016	2015		2016	2015		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2015	Short-term debenture	5.60	5.60	1,000	5,600	5,600	2016	1.75 percent per annum
2015	Short-term debenture	10.294	39.659	1,000	10,294	39,659	2016	1.55 - 1.76 percent per annum
2015	Long-term debenture	15.68	15.68	1,000	15,680	15,680	2017	1.875 - 2.00 percent per annum
2016	Short-term debenture	21.313	-	1,000	21,313	-	2016	1.48 - 1.75 percent per annum
2016	Long-term debenture	5.50	-	1,000	5,500	-	2018	1.95 - 2.00 percent per annum
2016	Long-term debenture	5.00	-	1,000	5,000	-	2019	1.95 percent per annum
Total					<u>63,387</u>	<u>60,939</u>		

3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing are between 1.62 and 2.50 percent per annum which will gradually mature in 2016.

3.11 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Payable to clearing house	184,706	96,576	-	-
Withholding income tax and other tax payable	258,541	449,453	22,785	54,246
Accrued insurance premium	540,037	769,773	-	-
Deferred income	1,102,120	1,148,667	-	-
Accrued expenses	2,422,714	2,324,103	1,177,573	979,477
Suspense creditors	420,142	620,419	-	-
Other liabilities	350,999	445,383	75	70
Total other liabilities	<u>5,279,259</u>	<u>5,854,374</u>	<u>1,200,433</u>	<u>1,033,793</u>

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 31 March 2016 and 31 December 2015, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 601 million and Baht 584 million, respectively (the Company only: Baht 314 million and Baht 307 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, loan against auto license receivables, corporate lending, equity exposure and other assets.

Regarding to Capital fund as at 31 March 2016 and 31 December 2015, 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	
	31 March 2016	31 December 2015
<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	11,761,069	11,761,069
Other components of equity	229,622	223,944
Less: Deductions from Common Equity Tier I items	(566,552)	(738,189)
Total Common Equity Tier I capital	24,166,839	23,989,524
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	24,166,840	23,989,525
<u>Tier II capital</u>		
Long-term subordinated debentures	6,643,000	6,643,000
Reserve for loans classified as pass	262,817	268,512
Total Tier II capital	6,905,817	6,911,512
Total capital funds	31,072,657	30,901,037

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2016		31 December 2015	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	13.98	5.125	13.98	4.50
Tier I capital to risk assets	13.98	6.625	13.98	6.00
Total capital to risk assets	17.98	9.125	18.01	8.50

(Unaudited but reviewed)

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 31 December 2015 on its website on 29 April 2016.

Capital funds of the Financial Business Group (under Basel III principles) are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2016	31 December 2015
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	8,006,446	8,006,369
Premium on share capital	1,018,408	1,018,408
Statutory reserve	596,300	596,300
Net profits after appropriation	13,574,764	13,574,757
Other components of equity	1,410,666	1,363,340
Less : Deductions from Common Equity Tier I items	(996,911)	(1,176,479)
Total Common Equity Tier I capital	23,609,673	23,382,695
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	109	185
Total Tier I capital	23,609,782	23,382,880
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,643,000	6,643,000
Reserve for loans classified as pass	295,859	289,818
Total Tier II capital	6,938,859	6,932,818
Total capital funds	30,548,641	30,315,698

	(Unit: Percent)			
	As at			
	31 March 2016		31 December 2015	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Capital fund ratios				
Common Equity Tier I capital to risk assets	12.78	5.125	12.71	4.50
Tier I capital to risk assets	12.78	6.625	12.71	6.00
Total capital to risk assets	16.54	9.125	16.48	8.50

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Interbank and money market items	140,515	140,403
Investments in debt securities	45,544	77,890
Loans to customers	1,352,694	1,455,763
Hire purchase and finance lease	2,527,846	2,699,707
Total interest income	4,066,599	4,373,763

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Interbank and money market items	1,761	3,540
Loans to customers	13,078	22,484
Total interest income	14,839	26,024

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Deposits	676,963	1,222,871
Interbank and money market items	40,624	65,817
Contribution fee to the Deposit Protection Agency and Bank of Thailand	264,541	291,598
Issued debt instruments		
- Subordinated debentures	84,064	85,729
- Unsubordinated debentures	280,893	261,944
Borrowings	27,318	46,273
Total interest expenses	<u>1,374,403</u>	<u>1,974,232</u>

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Borrowings	27,155	46,244
Total interest expenses	<u>27,155</u>	<u>46,244</u>

3.15 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Fee and service income		
- Acceptance, aval and guarantees	2,573	2,131
- Insurance service	647,254	526,777
- Brokerage fees	192,939	250,150
- Fund management	216,349	209,102
- Financial advisory	9,988	2,650
- Others	269,718	311,686
Total fee and service income	1,338,821	1,302,496
Fee and service expenses		
- Information service expenses	(6,553)	(6,095)
- Others	(51,302)	(52,308)
Total fee and service expenses	(57,855)	(58,403)
Net fee and service income	1,280,966	1,244,093

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Fee and service income	-	-
Fee and service expenses	(3,721)	(3,715)
Net fee and service income	(3,721)	(3,715)

3.16 Net losses on trading and foreign exchange transactions

Net losses on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	(22,455)	5,167
- Derivatives on interest rates	(12,780)	(8,975)
- Debt securities	1,573	895
Net losses on trading and foreign exchange transactions	<u>(33,662)</u>	<u>(2,913)</u>

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Losses on trading and foreign exchange transactions		
- Foreign currencies	(22,459)	(10,621)
Net losses on trading and foreign exchange transactions	<u>(22,459)</u>	<u>(10,621)</u>

3.17 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Gains on disposal		
- Available-for-sale investments	7,035	105,226
- Held-to-maturity debt securities	-	42
- General investments	2,515	2,352
Total	9,550	107,620
Losses on impairment		
- General investments	-	(1,509)
Total	-	(1,509)
Net gains on investments	9,550	106,111

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Reversal of losses on impairment		
- Investment in subsidiaries	-	59
Net gains on investments	-	59

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 periods ended 31 March 2016 and 2015 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Reversal of held-to-maturity debt securities	(116)	(3,045)
Loans to customers	981,600	974,596
Total	981,484	971,551

3.19 Other operating income

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Gains on disposal of property foreclosed	18,936	8,955
Others	10,818	8,292
Total	29,754	17,247

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Rental income	16,102	16,180
Others	882	317
Total	16,984	16,497

3.20 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2016 and 2015 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Mailing expenses	18,643	18,881
Software amortisation expenses	11,537	12,123
Legal expenses	84,620	82,896
Transportation expenses	21,043	22,736
Advertising and business promotion expenses	18,608	9,675
Others	64,659	73,890
Total	219,110	220,201

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2016	2015
Mailing expenses	118	96
Software amortisation expenses	7,292	7,584
Transportation expenses	1,796	2,183
Advertising and business promotion expenses	203	254
Others	4,837	4,940
Total	14,246	15,057

3.21 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month periods ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Current income tax:				
Income tax expenses for the periods	391,113	337,960	13,128	14,292
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(82,230)	(46,289)	2,173	1,097
Income tax expenses reported in statements of comprehensive income	308,883	291,671	15,301	15,389

3.22 Components of other comprehensive income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the periods	36,191	82,256	(3,349)	15,006
Less: Reclassification adjustments for gains included in profit or loss	(7,035)	(105,226)	-	-
	29,156	(22,970)	(3,349)	15,006
Actuarial losses	(650)	(1,658)	-	-
Share of other comprehensive income of joint ventures:				
Cash flow hedges of joint ventures	20,796	(10,026)	-	-
Other comprehensive income	49,302	(34,654)	(3,349)	15,006
Income tax effects relating to components of other comprehensive income	(5,742)	4,925	670	(3,001)
Net other comprehensive income for the periods	43,560	(29,729)	(2,679)	12,005

3.23 Income tax effects relating to components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the three-month periods ended 31 March					
	2016			2015		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains (losses) on valuation in available-for-sale investments	29,156	(5,831)	23,325	(22,970)	4,594	(18,376)
Actuarial losses	(650)	89	(561)	(1,658)	331	(1,327)
	<u>28,506</u>	<u>(5,742)</u>	<u>22,764</u>	<u>(24,628)</u>	<u>4,925</u>	<u>(19,703)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 31 March					
	2016			2015		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains (losses) on valuation in available-for-sale investments	(3,349)	670	(2,679)	15,006	(3,001)	12,005
	<u>(3,349)</u>	<u>670</u>	<u>(2,679)</u>	<u>15,006</u>	<u>(3,001)</u>	<u>12,005</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		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
	Profit attributable to equity holders of the Company (Thousand Baht)	1,255,033	1,192,468	60,377
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	1.57	1.49	0.08	0.07

3.25 Related party transactions

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2016	31 December 2015
<u>Outstanding balance</u>		
(Eliminated in consolidated financial statements)		
Subsidiary companies		
Interbank and money market items (Assets):		
TISCO Bank Public Company Limited	805,441	416,723
Dividend receivables:		
TISCO Bank Public Company Limited	-	1,105,742
TISCO Securities Co., Ltd.	-	175,000
TISCO Asset Management Co., Ltd.	-	504,997
TISCO Information Technology Co., Ltd.	-	47,999
TISCO Learning Center Co., Ltd.	-	8,499
Other assets:		
TISCO Bank Public Company Limited	117,325	101,343
TISCO Learning Center Co., Ltd.	1,089	671
Deutsche TISCO Investment Advisory Co., Ltd.	-	10,106
Other liabilities:		
TISCO Learning Center Co., Ltd.	267	1,352

Loans to related companies

As at 31 March 2016 and 1 January 2016, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 1 January 2016	Increase	Decrease	As at 31 March 2016
Subsidiary companies				
Loans to customers				
Hi-Way Co., Ltd.	1,820,000	-	(90,000)	1,730,000
TISCO Leasing Co., Ltd.	879,200	-	(148,400)	730,800

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		Terms and pricing policy
	For the three-month periods		
	ended 31 March		
	2016	2015	
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	506,094	492,724	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	14,839	25,969	With reference to the terms and prices as offered to other customers
Rental income	15,858	15,927	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	40,750	42,000	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	591	598	With reference to the prices as offered from other service providers
Other expenses	579	464	With reference to the terms and prices as offered to other customers

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Loans ⁽¹⁾	21,448	29,228

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Deposits	152,060	190,299

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, 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		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2016	2015	2016	2015
Short-term benefits	59	56	38	36
Post-employment benefits	10	11	6	6
Total	69	67	44	42

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 periods ended 31 March 2016 and 2015, respectively.

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
(Unit: Million Baht)							
For the three-month period ended 31 March 2016							
Revenue							
External customers	3,762	224	254	(34)	4,206	-	4,206
Inter-segment	24	56	-	630	710	(710)	-
Total revenue	<u>3,786</u>	<u>280</u>	<u>254</u>	<u>596</u>	<u>4,916</u>	<u>(710)</u>	<u>4,206</u>
Operating results:							
Net interest income	2,699	3	2	(12)	2,692	-	2,692
Net fee and service income	857	272	251	108	1,488	(207)	1,281
Other operating income	230	5	1	500	736	(503)	233
Total operating income	<u>3,786</u>	<u>280</u>	<u>254</u>	<u>596</u>	<u>4,916</u>	<u>(710)</u>	<u>4,206</u>
Premises and equipment expenses and amortisation	(214)	(19)	(6)	(113)	(352)	115	(237)
Other operating expenses	(1,298)	(216)	(120)	(399)	(2,033)	611	(1,422)
Bad debt, doubtful accounts and impairment losses	(981)	-	-	-	(981)	-	(981)
Total operating expenses	<u>(2,493)</u>	<u>(235)</u>	<u>(126)</u>	<u>(512)</u>	<u>(3,366)</u>	<u>726</u>	<u>(2,640)</u>
Segment profit	1,293	45	128	84	1,550	16	1,566
Income tax expenses							(309)
Non-controlling interests of the subsidiaries							(2)
Profit for the period - equity holders of the Company							<u>1,255</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 31 March 2015							
Revenue							
External customers	3,395	362	300	(42)	4,015	-	4,015
Inter-segment	9	67	1	633	710	(710)	-
Total revenue	3,404	429	301	591	4,725	(710)	4,015
Operating results:							
Net interest income	2,407	10	3	(20)	2,400	-	2,400
Net fee and service income	744	312	298	112	1,466	(222)	1,244
Other operating income	253	107	-	499	859	(488)	371
Total operating income	3,404	429	301	591	4,725	(710)	4,015
Premises and equipment expenses and amortisation	(216)	(21)	(8)	(116)	(361)	118	(243)
Other operating expenses	(1,187)	(227)	(117)	(388)	(1,919)	609	(1,310)
Bad debt, doubtful accounts and impairment losses	(972)	-	-	-	(972)	-	(972)
Total operating expenses	(2,375)	(248)	(125)	(504)	(3,252)	727	(2,525)
Segment profit	1,029	181	176	87	1,473	17	1,490
Income tax expenses							(292)
Non-controlling interests of the subsidiaries							(6)
Profit for the period - equity holders of the Company							1,192

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries did not have income from any clients amounting to or over 10 percent of their income

3.27 Commitments and contingent liabilities

3.27.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2016	31 December 2015
Avals	414,867	414,867
Other guarantees	734,496	691,788
Undrawn client overdraft facilities	30,000	30,000
Interest rate swap agreements	1,200,000	1,200,000
Other	9,644,075	13,364,596
Total	12,023,438	15,701,251

3.27.2 Litigation

As at 31 March 2016 and 31 December 2015, the subsidiaries have been sued for compensation totaling approximately Baht 363 million and Baht 368 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 31 March 2016 and 31 December 2015, the subsidiary companies have future minimum lease payments required under these non-cancellable operating lease contracts as follows:

(Unit: Million Baht)

	As at	
	31 March 2016	31 December 2015
Payable within:		
Not over 1 year	129	126
Over 1 to 5 years	118	118
Over 5 years	52	50

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 31 March 2016, 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 31 March 2016				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity instruments	377	377	-	-	377
Debt instruments	5,273	-	5,273	-	5,273
Unit trusts	776	747	29	-	776
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	49	-	49	-	49

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity instruments	335	335	-	-	335
Debt instruments	6,749	-	6,749	-	6,749
Unit trusts	802	773	29	-	802
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	42	-	42	-	42

(Unit: Million Baht)

Separate financial statements as at 31 March 2016

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	747	747	-	-	747

(Unit: Million Baht)

Separate financial statements as at 31 December 2015

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	773	773	-	-	773

Valuation techniques and inputs to Level 2 and Level 3 valuations

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association.
- b) 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.
- c) 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. Event after the reporting period

On 21 April 2016, the 2016 Annual General Meeting of the shareholders of the Company, pass approved a dividend payment of Baht 2.40 per share from the operating results of the year 2015 to ordinary and preference shareholders listed in the share register as at 3 May 2016. The dividend is to be paid on 19 May 2016 and will be recorded in the accounts in the second quarter of year 2016.

5. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 May 2016.