

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
30 September 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Financial Group Public Company Limited

I have reviewed the accompanying consolidated statements of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month period ended 30 September 2017, the related consolidated statements of changes in equity, and cash flows for the nine-month period then ended as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my 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 November 2017

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,270,180	1,149,005	70	70
Interbank and money market items - net		46,796,060	38,067,417	801,090	533,562
Investments - net	3.3, 3.7	7,695,324	7,188,845	841,249	781,885
Investment in subsidiaries and joint venture - net	3.4	541,366	442,750	20,069,104	19,469,082
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		234,636,825	245,114,243	3,810,000	1,803,100
Accrued interest receivables		540,741	520,704	-	-
Total loans to customers and accrued interest receivables		235,177,566	245,634,947	3,810,000	1,803,100
Less: Deferred revenue		(19,598,337)	(20,180,240)	-	-
Less: Allowance for doubtful accounts	3.6	(9,354,238)	(7,973,890)	-	-
Less: Allowance for loss on debt restructuring	3.6	(9,148)	(9,748)	-	-
Loans to customers and accrued interest receivables - net		206,215,843	217,471,069	3,810,000	1,803,100
Properties foreclosed - net		20,205	7,366	-	-
Investment properties		32,157	32,157	818,934	778,245
Premises and equipment - net		2,625,628	2,652,515	866,284	922,233
Intangible assets - net		496,732	567,053	156,887	196,303
Deferred tax assets		587,099	513,602	125,600	147,654
Securities and derivatives business receivables - net		2,438,519	1,373,757	-	-
Dividend receivable from subsidiaries		-	-	-	2,762,188
Other assets	3.8	1,987,055	1,806,862	210,462	141,969
Total assets		270,706,168	271,272,398	27,699,680	27,536,291

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 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and equity					
Liabilities					
Deposits	3.9	154,965,284	155,067,524	-	-
Interbank and money market items - net		3,825,102	5,196,603	-	-
Liabilities payable on demand		295,002	180,242	-	-
Derivatives liabilities	3.2	31,169	34,118	-	-
Debts issued and borrowings	3.10	67,556,119	70,328,919	8,275,000	5,930,000
Provision for long-term employee benefits		725,960	576,114	173,240	124,230
Deferred tax liabilities		11,421	2,581	-	-
Securities and derivatives business payables - net		2,523,433	1,510,870	-	-
Accrued interest payable		862,896	753,021	17,991	18,574
Income tax payable		358,812	565,781	-	37,001
Other liabilities	3.11	6,395,249	5,731,082	1,527,060	1,190,304
Total liabilities		237,550,447	239,946,855	9,993,291	7,300,109

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 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 September 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
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				
9,859 preference shares of Baht 10 each (31 December 2016: 10,758 preference shares of Baht 10 each)	99	108	99	108
800,645,624 ordinary shares of Baht 10 each (31 December 2016: 800,644,724 ordinary shares of Baht 10 each)	8,006,456	8,006,447	8,006,456	8,006,447
	8,006,555	8,006,555	8,006,555	8,006,555
Share premium				
Share premium on preference shares	-	-	87	95
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,428
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of equity				
	1,593,853	1,447,136	204,680	104,978
Retained earnings				
Appropriated-statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	21,620,396	19,951,807	1,662,631	4,292,126
Equity attributable to owners of the Company				
	33,040,212	31,224,906	17,706,389	20,236,182
Non-controlling interests of the subsidiaries				
	115,509	100,637	-	-
Total equity				
	<u>33,155,721</u>	<u>31,325,543</u>	<u>17,706,389</u>	<u>20,236,182</u>
Total liabilities and equity				
	<u>270,706,168</u>	<u>271,272,398</u>	<u>27,699,680</u>	<u>27,536,291</u>

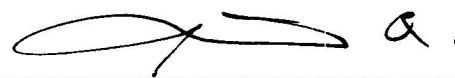
The accompanying notes are an integral part of the financial statements.



Mrs. Oranuch Apisaksirikul
(Chairperson of the Executive Board)



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



Mr. Suthas Ruangmanarongkol
(Group Chief Executive)

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Interest income	3.13	3,980,584	3,975,439	12,193	11,283
Interest expenses	3.14	(1,208,387)	(1,217,767)	(27,627)	(25,398)
Net interest income		2,772,197	2,757,672	(15,434)	(14,115)
Fee and service income		1,535,905	1,462,918	-	-
Fee and service expenses		(55,060)	(56,281)	(3,434)	(3,569)
Net fee and service income	3.15	1,480,845	1,406,637	(3,434)	(3,569)
Net losses on trading and foreign exchange transactions	3.16	(17,825)	(9,135)	(16,282)	(12,452)
Net gains on investments	3.17	5,593	2,402	-	-
Share of profit from investment accounted for under equity method	3.4	34,634	21,806	-	-
Dividend income		99,343	24,669	-	-
Penalty fee income from loans		88,797	91,364	-	-
Income from business promotion relating to the business		235,793	60,385	-	-
Intercompany supporting fee income	3.25	-	-	547,414	415,276
Other operating income	3.19, 3.25	27,205	28,729	16,081	17,743
Total operating income		4,726,582	4,384,529	528,345	402,883
Expenses from business promotion relating to the business		248,661	65,361	-	-
Total net operating income		4,477,921	4,319,168	528,345	402,883
Operating expenses					
Employee's expenses		1,317,916	1,075,876	313,719	194,255
Directors' remuneration		3,270	3,105	3,270	3,105
Premises and equipment expenses		277,406	236,252	108,902	91,194
Taxes and duties		57,124	51,602	46	75
Other operating expenses	3.20	262,296	284,676	23,448	13,100
Total operating expenses		1,918,012	1,651,511	449,385	301,729
Bad debt, doubtful accounts and impairment losses	3.18	611,498	1,091,574	-	-
Profit from operating before income tax expenses		1,948,411	1,576,083	78,960	101,154
Income tax expenses	3.21	371,952	316,903	16,004	20,072
Profit for the period		1,576,459	1,259,180	62,956	81,082

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 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains on valuation in available-for-sale investments		58,449	41,786	47,842	56,306
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	514	1,206	-	-
Income tax effects	3.23	(11,690)	(8,357)	(9,568)	(11,261)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		47,273	34,635	38,274	45,045
Other comprehensive income for the period		<u>47,273</u>	<u>34,635</u>	<u>38,274</u>	<u>45,045</u>
Total comprehensive income for the period		<u>1,623,732</u>	<u>1,293,815</u>	<u>101,230</u>	<u>126,127</u>
Profit attributable to					
Equity holders of the Company	3.24	1,572,366	1,249,960	<u>62,956</u>	<u>81,082</u>
Non-controlling interests of the subsidiaries		4,093	9,220		
		<u>1,576,459</u>	<u>1,259,180</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,619,639	1,284,595	<u>101,230</u>	<u>126,127</u>
Non-controlling interests of the subsidiaries		4,093	9,220		
		<u>1,623,732</u>	<u>1,293,815</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	<u>1.96</u>	<u>1.56</u>	<u>0.08</u>	<u>0.10</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Interest income	3.13	11,833,706	12,033,052	33,272	39,522
Interest expenses	3.14	(3,536,944)	(3,892,567)	(65,393)	(76,906)
Net interest income		8,296,762	8,140,485	(32,121)	(37,384)
Fee and service income		4,397,813	4,039,173	-	-
Fee and service expenses		(169,449)	(166,934)	(9,926)	(11,171)
Net fee and service income	3.15	4,228,364	3,872,239	(9,926)	(11,171)
Net losses on trading and foreign exchange transactions	3.16	(69,979)	(45,035)	(66,667)	(36,592)
Net gains on investments	3.17	35,695	9,604	-	-
Share of profit from investment accounted for under equity method	3.4	97,649	61,295	-	-
Dividend income		138,178	78,973	-	-
Penalty fee income from loans		288,960	275,321	-	-
Income from business promotion relating to the business		455,046	210,262	-	-
Intercompany supporting fee income	3.25	-	-	1,564,435	1,345,432
Other operating income	3.19, 3.25	100,706	86,852	56,415	51,361
Total operating income		13,571,381	12,689,996	1,512,136	1,311,646
Expenses from business promotion relating to the business		464,758	228,476	-	-
Total net operating income		13,106,623	12,461,520	1,512,136	1,311,646
Operating expenses					
Employee's expenses		3,799,813	3,202,496	847,402	693,260
Directors' remuneration		9,470	9,465	9,470	9,465
Premises and equipment expenses		794,793	694,458	318,976	266,190
Taxes and duties		167,631	154,644	1,988	1,699
Other operating expenses	3.20	752,713	761,853	83,287	51,851
Total operating expenses		5,524,420	4,822,916	1,261,123	1,022,465
Bad debt, doubtful accounts and impairment losses	3.18	1,906,137	2,998,593	-	-
Profit from operating before income tax expenses		5,676,066	4,640,011	251,013	289,181
Income tax expenses	3.21	1,092,638	914,825	41,675	57,325
Profit for the period		4,583,428	3,725,186	209,338	231,856

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 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains on valuation in available-for-sale investments		192,804	92,735	126,031	69,971
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	967	24,051	-	-
Income tax effects	3.23	(39,590)	(18,546)	(25,206)	(13,994)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		154,181	98,240	100,825	55,977
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(131,192)	(99,391)	(47,087)	(17,732)
Income tax effects	3.23	26,069	19,807	9,418	3,546
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(105,123)	(79,584)	(37,669)	(14,186)
Other comprehensive income for the period		49,058	18,656	63,156	41,791
Total comprehensive income for the period		4,632,486	3,743,842	272,494	273,647
Profit attributable to					
Equity holders of the Company	3.24	4,568,265	3,712,629	209,338	231,856
Non-controlling interests of the subsidiaries		15,163	12,557		
		4,583,428	3,725,186		
Total comprehensive income attributable to					
Equity holders of the Company		4,617,593	3,732,368	272,494	273,647
Non-controlling interests of the subsidiaries		14,893	11,474		
		4,632,486	3,743,842		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	5.71	4.64	0.26	0.29

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax expenses	5,676,066	4,640,011	251,013	289,181
Adjustments to reconcile profit before income tax expenses to net cash provided by (paid from) operating activities				
Depreciation and amortisation	256,297	173,727	99,077	65,639
Share of profit from investment accounted for under equity method	(97,649)	(61,295)	-	-
Bad debts and doubtful accounts	3,416,499	4,583,248	-	-
Allowance for impairment of investments (reversal)	(3,582)	4,467	-	-
Allowance for impairment of properties foreclosed	374	11,233	-	-
Gains on disposal of investments in securities	(31,884)	(14,692)	-	-
Unrealised losses on foreign exchange transactions and trading derivatives	63,730	35,993	66,667	36,592
Gains on disposal of equipment	(12,932)	(6,787)	(7,594)	(1,802)
Losses on written-off of equipment	243	619	-	46
Losses on disposal of intangible assets	-	6,218	-	6,218
Gains on disposal of properties foreclosed	(64,184)	(56,539)	-	-
Employee benefit expenses	31,843	66,273	3,678	9,149
(Increase) decrease in accrued income	(83,152)	(97,413)	(41,378)	36,375
Increase in accrued expenses	1,146,543	646,883	387,796	317,897
Net interest income	(8,296,762)	(8,140,485)	32,121	37,384
Dividend income	(138,178)	(78,973)	-	-
Cash received on interest income	12,021,049	12,253,337	33,171	39,472
Cash paid on interest expenses	(2,700,797)	(3,294,023)	(65,975)	(85,623)
Cash received on dividend income	63,178	75,291	2,762,189	1,842,237
Cash paid on income tax expenses	(1,392,837)	(1,113,219)	(84,918)	(74,605)
Profit from operating activities before changes in operating assets and liabilities	9,853,865	9,633,874	3,435,847	2,518,160
Operating assets (increase) decrease				
Interbank and money market items	(8,728,655)	891,559	(267,528)	(120,642)
Loans to customers	6,340,316	6,675,529	(2,006,900)	766,200
Securities and derivatives business receivables	(1,064,762)	(935,410)	-	-
Receivables from clearing house	(43,174)	(95,074)	-	-
Properties foreclosed	1,569,420	1,818,033	-	-
Other assets	-387,491	117,857	-27,015	-8,272

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Operating liabilities increase (decrease)				
Deposits	(102,240)	(4,854,737)	-	-
Interbank and money market items	(1,371,501)	(1,721,094)	-	-
Liabilities payable on demand	114,760	(3,436)	-	-
Securities and derivatives business payables	1,012,563	341,861	-	-
Short-term debts issued and borrowings	2,907,200	(26,607,000)	2,345,000	(1,100,000)
Payable to clearing house	88,325	686,265	-	-
Provision for long-term employee benefits	(13,189)	(10,002)	(1,755)	(1,706)
Other liabilities	(1,080,677)	(1,433,540)	(38,533)	(43,925)
Net cash flows from (used in) operating activities	9,094,760	(15,495,315)	3,439,116	2,009,815
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(6,065,818)	(4,493,132)	-	-
Cash received from disposal of investment in securities held for investment	5,720,920	5,846,472	-	-
Cash paid for purchase of investment in subsidiaries	-	-	(600,022)	(6)
Cash paid for purchase of equipment	(123,360)	(143,241)	(37,703)	(67,757)
Cash paid for purchase of intangible assets	(35,976)	(67,085)	(6,698)	(23,264)
Cash received from disposal of equipment	12,936	7,151	7,594	1,802
Net cash flows from (used in) investing activities	(491,298)	1,150,165	(636,829)	(89,225)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	11,000,000	16,180,000	-	-
Cash paid for redemption of long-term debentures	(16,680,000)	-	-	-
Dividend paid	(2,802,287)	(1,920,590)	(2,802,287)	(1,920,590)
Net cash flows from (used in) financing activities	(8,482,287)	14,259,410	(2,802,287)	(1,920,590)
Net increase (decrease) in cash	121,175	(85,740)	-	-
Cash at beginning of the period	1,149,005	1,101,291	70	70
Cash at end of the period	1,270,180	1,015,551	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 nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Other components of 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 equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
		Preference shares	Ordinary shares							Appropriated	Unappropriated			
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
Dividend paid	4	-	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)	-	(1,920,590)
Profit for the period		-	-	-	-	-	-	-	-	-	3,712,629	3,712,629	12,557	3,725,186
Other comprehensive income for the period		-	-	-	74,189	-	24,051	-	98,240	-	(78,501)	19,739	(1,083)	18,656
Total comprehensive income for the period		-	-	-	74,189	-	24,051	-	98,240	-	3,634,128	3,732,368	11,474	3,743,842
Transfer surplus on revaluation of assets to retained earnings		-	-	-	-	(7,472)	-	-	(7,472)	-	7,472	-	-	-
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Preference shares converted to ordinary shares		(78)	78	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2016		108	8,006,447	1,018,408	(92,103)	891,772	(6,392)	679,266	1,472,543	709,500	18,700,206	29,907,212	110,330	30,017,542
Balance as at 1 January 2017		108	8,006,447	1,018,408	(118,382)	889,264	(3,012)	679,266	1,447,136	801,000	19,951,807	31,224,906	100,637	31,325,543
Dividend paid	4	-	-	-	-	-	-	-	-	-	(2,802,287)	(2,802,287)	-	(2,802,287)
Profit for the period		-	-	-	-	-	-	-	-	-	4,568,265	4,568,265	15,163	4,583,428
Other comprehensive income for the period		-	-	-	153,214	-	967	-	154,181	-	(104,853)	49,328	(270)	49,058
Total comprehensive income for the period		-	-	-	153,214	-	967	-	154,181	-	4,463,412	4,617,593	14,893	4,632,486
Transfer surplus on revaluation of assets to retained earnings		-	-	-	-	(7,464)	-	-	(7,464)	-	7,464	-	-	-
Decrease in non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Preference shares converted to ordinary shares		(9)	9	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2017		99	8,006,456	1,018,408	34,832	881,800	(2,045)	679,266	1,593,853	801,000	21,620,396	33,040,212	115,509	33,155,721

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 nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Note	Separate financial statements									
		Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
		Preference	Ordinary	Preference	Ordinary	Deficit on	Surplus on	Total other	Appropriated	Unappropriated	
		shares	shares	shares	shares	change in value of	revaluation of	components			
				available-for-sale	assets	of equity					
					investments						
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
Dividend paid	4	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)
Profit for the period		-	-	-	-	-	-	-	-	231,856	231,856
Other comprehensive income for the period		-	-	-	-	55,977	-	55,977	-	(14,186)	41,791
Total comprehensive income for the period		-	-	-	-	55,977	-	55,977	-	217,670	273,647
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(1,125)	(1,125)	-	1,125	-
Preference shares converted to ordinary shares		(78)	78	(68)	68	-	-	-	-	-	-
Balance as at 30 September 2016		108	8,006,447	95	7,031,428	(77,996)	226,864	148,868	709,500	1,487,385	17,383,831
Balance as at 1 January 2017		108	8,006,447	95	7,031,428	(121,509)	226,487	104,978	801,000	4,292,126	20,236,182
Dividend paid	4	-	-	-	-	-	-	-	-	(2,802,287)	(2,802,287)
Profit for the period		-	-	-	-	-	-	-	-	209,338	209,338
Other comprehensive income for the period		-	-	-	-	100,825	-	100,825	-	(37,669)	63,156
Total comprehensive income for the period		-	-	-	-	100,825	-	100,825	-	171,669	272,494
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(1,123)	(1,123)	-	1,123	-
Preference shares converted to ordinary shares		(9)	9	(8)	8	-	-	-	-	-	-
Balance as at 30 September 2017		99	8,006,456	87	7,031,436	(20,684)	225,364	204,680	801,000	1,662,631	17,706,389

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 period ended 30 September 2017

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 2016) “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 interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2016. 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 those were used for the financial statements for the year ended 31 December 2016.

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 individuals or enterprises 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 or enterprises 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 2017 and 31 December 2016 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 2017	31 December 2016
<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 Insurance Solution Co., Ltd. (Previously known as "TISCO Leasing Co., Ltd.")	Insurance Broker	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	99.99	99.99
<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 foreign exchange contracts to manage the risk associated with financial assets as follows:

Type of risk	(Unit: Thousand Baht)					
	Consolidated financial statements as at					
	30 September 2017			31 December 2016		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	-	52,813	-	-	-
Interest rate	-	31,169	1,200,000	-	34,118	1,200,000
Total	-	31,169	1,252,813	-	34,118	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	
	30 September 2017	31 December 2016
Available-for-sale investments - fair value		
Government and state enterprise securities	4,827,872	4,253,685
Private sector debt securities	691,991	870,470
Foreign sector debt securities	411,154	414,163
Domestic marketable equity securities	419,324	375,295
Other securities - domestic unit trusts	63,049	58,722
Other securities - foreign unit trusts	841,249	781,885
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	7,253,179	6,752,760
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	13,788	13,559
Less: Allowance for impairment	(13,772)	(13,543)
Total held-to-maturity debt securities	16	16
General investments - cost		
Domestic non-marketable equity securities	477,781	488,479
Less: Allowance for impairment	(35,652)	(52,410)
Total general investments	442,129	436,069
Investments - net	7,695,324	7,188,845
		(Unit: Thousand Baht)
	Separate financial statements as at	
	30 September 2017	31 December 2016
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	841,249	781,885

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 2017				31 December 2016			
	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	4,826	-	2	4,828	4,252	-	2	4,254
Private sector debt securities	404	699	-	1,103	182	1,102	-	1,284
Total	5,230	699	2	5,931	4,434	1,102	2	5,538
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	5,229	699	2	5,930	4,433	1,102	2	5,537
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	14	-	-	14
Less: Allowance for impairment	(14)	-	-	(14)	(14)	-	-	(14)
Total	-	-	-	-	-	-	-	-
Total debt securities	5,229	699	2	5,930	4,433	1,102	2	5,537

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restriction
	30 September 2017	31 December 2016	
Government debt securities	2	2	Pledged for electricity usage

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 2017		
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	1,460	-	1,460

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements
as at 31 December 2016

	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					
	30 September 2017			31 December 2016		
	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:						
Juki (Thailand) Co., Ltd.	3,240	-	10	331	-	10
PDTL Trading Co., Ltd.	4,275	-	10	4,265	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	3,658	-	10	3,233	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	18,062	-	10	17,622	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Investment in subsidiaries	-	-	19,995,859
Investment in joint venture	541,366	442,750	73,245	73,245
	541,366	442,750	20,069,104	19,469,082

3.4.1 Investment in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of investment		Percentage of holding		Investment value - cost		Dividend received for the	
		as at		as at		method as at		nine-month periods ended	
		30 September	31 December	30 September	31 December	30 September	31 December	30 September	30 September
		2017	2016	2017	2016	2017	2016	2017	2016
				(%)	(%)				
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 Insurance Solution Co., Ltd. (Previously known as "TISCO Leasing Co., Ltd.")	Insurance broker	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	99.99	99.99	700	100	-	-
						20,105	19,505	-	-
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						19,996	19,396		

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		Cost as at		Carrying amounts based on	
		percentage as at				equity method as at	
		30 September	31 December	30 September	31 December	30 September	31 December
		2017	2016	2017	2016	2017	2016
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	541,366	442,750

(Unit: Thousand Baht)

		Separate financial statements						Carrying amounts based on	
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		cost method - net as at	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	-	-	73,245	73,245

b) Share of comprehensive income and dividend received

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

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	
	2017	2016	2017	2016	2017	2016
TISCO Tokyo Leasing Co., Ltd.	34,634	21,806	514	1,206	-	-

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the nine-month periods ended 30 September		Share of other 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	
	2017	2016	2017	2016	2017	2016
TISCO Tokyo Leasing Co., Ltd.	97,649	61,295	967	24,051	-	-

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 2017	31 December 2016
Loans to customers		
Loans	73,483,668	72,305,583
Hire purchase receivables	161,039,626	172,549,566
Finance lease receivables	253,330	472,172
Less: Deferred revenue	(19,598,337)	(20,180,240)
Advances received from finance lease receivables	(139,799)	(213,078)
Total loans to customers	215,038,488	224,934,003
Add: Accrued interest receivables	540,741	520,704
Less: Allowance for doubtful accounts	(9,354,238)	(7,973,890)
Less: Allowance for loss on debt restructuring	(9,148)	(9,748)
Loans to customers and accrued interest receivables - net	206,215,843	217,471,069

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2017	31 December 2016
Loans to customers		
Loans	3,810,000	1,803,100
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	3,810,000	1,803,100

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2017			31 December 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	208,730,184	6,308,304	215,038,488	218,744,111	6,189,892	224,934,003
Total loans to customers net of deferred revenue	208,730,184	6,308,304	215,038,488	218,744,111	6,189,892	224,934,003

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2017			31 December 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	3,810,000	-	3,810,000	1,803,100	-	1,803,100
Total loans to customers net of deferred revenue	3,810,000	-	3,810,000	1,803,100	-	1,803,100

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

(Unit: Million Baht)

	As at					
	30 September 2017			31 December 2016		
	Net amount		Allowance for doubtful accounts ^{(1) (2)}	Net amount		Allowance for doubtful accounts ^{(1) (2)}
Loans to customers and accrued interest receivables	used for setting up allowance for doubtful accounts	Loans to customers and accrued interest receivables		used for setting up allowance for doubtful accounts		
Provision under BOT's guidelines						
- Pass	191,865	169,598	2,316	200,399	177,089	2,658
- Special mention	15,778	14,311	2,933	16,458	15,567	2,041
- Sub-standard	2,153	2,137	730	2,569	2,534	827
- Doubtful	1,367	1,351	588	1,397	1,384	416
- Doubtful of loss	997	893	367	1,155	1,062	273
Allowance established in excess	-	-	1,875	-	-	1,276
Total	212,160	188,290	8,809	221,978	197,636	7,491

⁽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 2017, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor 5/2559 minimum requirement by a total of Baht 4,573 million (As at 31 December 2016: total of Baht 3,158 million). TISCO Bank allocated Baht 2,698 million of the excess provision to specific provision for individual debtors (As at 31 December 2016: total of Baht 1,882 million) and so combined with the minimum provision requirement of Baht 4,236 million (As at 31 December 2016: total of Baht 4,333 million), the total provision set aside in accordance with BOT requirements is Baht 6,934 million (As at 31 December 2016: total of Baht 6,215 million).

Percentage of allowance for doubtful accounts set up (%)

	Loan against auto					
	Hire purchase receivables ⁽¹⁾		license receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at		As at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Pass	1.02	0.80	1.60	1.57	1	1
Special mention	9.32	5.92	16.80	16.80	2	2
Sub-standard	29.52	28.21	35.43	34.57	100	100
Doubtful	40.20	24.19	35.43	34.57	100	100
Doubtful of loss	30.74	22.75	35.43	34.57	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 individual debtors.

⁽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 2017, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 141,759 million (31 December 2016: Baht 152,906 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operations. 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 statements as at 30 September 2017					
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	53,872	94,592	5,146	7,684	161,294
Less: Deferred revenue ⁽¹⁾	(7,111)	(8,580)	(192)	(3,512)	(19,395)
Advances received from finance lease receivables	(81)	(56)	-	(3)	(140)
Present value of minimum lease pay from agreements	46,680	85,956	4,954	4,169	141,759
Allowance for doubtful accounts ⁽²⁾					(4,107)
Net hire purchase and finance lease receivables					137,653

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

⁽²⁾ These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 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	58,191	101,931	4,783	8,117	173,022
Less: Deferred revenue ⁽¹⁾	(7,534)	(8,981)	(163)	(3,225)	(19,903)
Advances received from finance lease receivables	(89)	(121)	-	(3)	(213)
Present value of minimum lease pay from agreements	50,568	92,829	4,620	4,889	152,906
Allowance for doubtful accounts ⁽²⁾					(3,427)
Net hire purchase and finance lease receivables					149,479

⁽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 individual debtors.

(Unaudited but reviewed)

3.5.5 Loans to customers of subsidiary companies for which the recognition of interest income has been ceased

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	5,820	6,573	6,574	7,395

⁽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 2017	31 December 2016
Hire purchase receivables, finance lease receivables and other loans and receivables for which the recognition of interest income has been ceased	565	650

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	
	30 September 2017	31 December 2016
	19,598	20,180

⁽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	
	2017	2016	2017	2016
Debtors restructured during the period				
Number of debtors restructured by modification of				
terms (number)	860	1,578	3,029	5,027
Loan balances before restructuring (Million Baht)	242	462	933	1,416
Loan balances after restructuring (Million Baht)	244	465	939	1,428
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	4	5	4	5
Mortgage loan receivables	4	2	4	2
Loan against auto license receivables	4	4	4	4

Supplemental information for the three-month and nine-month periods ended 30 September 2017 and 2016 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	
	2017	2016	2017	2016
Interest income on restructured receivables	93	90	280	258
Receipt of principal and interest	407	285	1,115	756

As at 30 September 2017 and 31 December 2016, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

	(Unit: Million Baht)			
	As at			
	30 September 2017		31 December 2016	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	17,769	4,942	16,638	5,286

3.6 Allowance for doubtful accounts/allowance for loss on debt restructuring**3.6.1 Allowance for doubtful accounts - classified by receivables classification**

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2017							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	2,775,661	2,123,183	935,111	494,702	369,707	1,275,526	7,973,890
Increase (decrease) in allowance for doubtful accounts during the period	(338,382)	899,218	(24,561)	1,031,440	1,147,904	701,480	3,417,099
Bad debt written-off	(571)	(16,712)	(91,580)	(869,891)	(1,057,997)	-	(2,036,751)
Balance - end of period	<u>2,436,708</u>	<u>3,005,689</u>	<u>818,970</u>	<u>656,251</u>	<u>459,614</u>	<u>1,977,006</u>	<u>9,354,238</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2016							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	1,986,095	1,269,078	1,073,807	712,133	815,222	311,935	6,168,270
Increase in allowance for doubtful accounts during the year	790,553	871,395	18,330	1,830,336	1,616,790	963,591	6,090,995
Bad debt written-off	(987)	(17,290)	(157,026)	(2,047,767)	(2,062,305)	-	(4,285,375)
Balance - end of year	<u>2,775,661</u>	<u>2,123,183</u>	<u>935,111</u>	<u>494,702</u>	<u>369,707</u>	<u>1,275,526</u>	<u>7,973,890</u>

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2017				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	2,630,677	4,067,687	1,275,526	7,973,890
Increase in allowance for doubtful accounts during the period	159,521	2,556,098	701,480	3,417,099
Bad debt written-off	(149,074)	(1,887,677)	-	(2,036,751)
Balance - end of period	<u>2,641,124</u>	<u>4,736,108</u>	<u>1,977,006</u>	<u>9,354,238</u>

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2016				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	2,300,466	3,555,869	311,935	6,168,270
Increase in allowance for doubtful accounts during the year	601,511	4,525,893	963,591	6,090,995
Bad debt written-off	(271,300)	(4,014,075)	-	(4,285,375)
Balance - end of year	<u>2,630,677</u>	<u>4,067,687</u>	<u>1,275,526</u>	<u>7,973,890</u>

(Unaudited but reviewed)

3.6.3 Allowance for loss on debt restructuring of a subsidiary company operating banking business

(Unit: Million Baht)

	Consolidate financial statement as at	
	30 September 2017	31 December 2016
Balance - beginning of period/year	9,748	-
Increase during the period/year	-	9,748
Amortisation during period/year	(600)	-
Balance - end of period/year	9,148	9,748

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

(Unit: Million Baht)

	As at	
	30 September 2017	31 December 2016
Non-performing loans to customers	4,516	5,121
Allowance for doubtful accounts ⁽¹⁾	1,685	1,516

⁽¹⁾ These allowance for doubtful accounts included the allowance for doubtful account from assigning provision in excess of BOT's minimum requirement to specific for individual debtors.

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	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	Debt securities - debentures ⁽¹⁾	1	1	-	-	1
Equity securities - ordinary shares ⁽²⁾	-	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 30 September 2017 and 31 December 2016, 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 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Pass	221,731	235,147	-	-	-	-	-	-	221,731	235,147
Special mention	15,608	16,277	-	-	-	-	-	-	15,608	16,277
Sub-standard	2,153	2,569	-	-	-	-	-	-	2,153	2,569
Doubtful	1,367	1,397	-	-	-	-	-	-	1,367	1,397
Doubtful of loss	997	1,155	37	54	14	14	12	12	1,060	1,235
Total	241,856	256,545	37	54	14	14	12	12	241,919	256,625

⁽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 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 up allowance for doubtful accounts ⁽¹⁾		Percentage of allowance for doubtful account setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
					(%)	(%)		
Pass	122,554	131,798	122,554	131,798	1.02	0.80	1,244	1,052
Special mention	12,152	13,434	12,152	13,434	9.32	5.92	1,133	795
Sub-standard	1,732	2,134	1,732	2,134	29.52	28.21	511	602
Doubtful	1,141	1,168	1,141	1,168	40.20	24.19	459	283
Doubtful of loss	801	1,017	801	1,017	30.74	22.75	246	231
Total	138,380	149,551	138,380	149,551			3,593	2,963

⁽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 individual debtors.

⁽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 individual debtors.

3.7.3.2 Loan 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 setup ⁽¹⁾		Allowance for doubtful accounts ⁽²⁾	
	as at		as at		as at		as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
					(%)	(%)		
Pass	19,089	16,665	19,089	16,665	1.60	1.57	306	261
Special mention	1,588	1,527	1,588	1,527	16.80	16.80	267	257
Sub-standard	289	269	289	269	35.43	34.57	103	93
Doubtful	125	125	125	125	35.43	34.57	44	43
Doubtful of loss	32	9	32	9	35.43	34.57	11	3
Total	21,123	18,595	21,123	18,595			731	657

⁽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 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		General reserve		Debt balance - net	
	as at		as at		as at		as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Pass	2,422	2,365	121	117	43	-	2,258	2,248
Special mention	447	486	73	82	37	-	337	404
Sub-standard	167	206	89	109	1	-	77	97
Doubtful	129	149	68	78	1	-	60	71
Doubtful of loss	218	234	92	97	20	-	106	137
Total	3,383	3,440	443	483	102	-	2,838	2,957

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 as at		Debt balance as at		Collateral value as at		Allowance for doubtful accounts provided in the accounts ⁽²⁾ as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
				Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET ⁽¹⁾	1	1	754	821	656	656	754 ⁽³⁾	821 ⁽³⁾
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	4	4	561	577	98	249	7	7
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	5	5	1,315	1,398	754	905	761	828

⁽¹⁾ The Company is currently under rehabilitation.

⁽²⁾ These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

⁽³⁾ These allowance for doubtful accounts included the allowance for loss on debt restructuring.

3.8 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Receivable from clearing house	188,182	145,009	-	-
Value added tax - net	326,697	378,538	1,142	4,335
Accrued interest receivables	28,609	14,474	-	-
Fee and service receivables	351,265	268,114	147,826	106,448
Refundable income tax and prepaid income tax	43,895	33,050	12,508	-
Deposits	67,550	58,350	2,119	2,119
Other receivables	492,293	552,740	3	-
Dividend receivables	75,000	-	-	-
Other assets	413,564	356,587	46,864	29,067
Total other assets	1,987,055	1,806,862	210,462	141,969

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2017	31 December 2016
Deposits		
Current accounts	3,380,547	3,690,699
Saving accounts	53,017,860	51,928,032
Fixed accounts		
- not over 6 months	8,574,912	7,606,080
- over 6 months but not over 1 year	11,788,733	6,994,920
- over 1 year	291,092	238,889
Certificates of deposit/negotiable certificates of deposit	77,912,140	84,608,904
Total	154,965,284	155,067,524

3.9.2 Classified by remaining period of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2017	31 December 2016
Not over 1 year ⁽¹⁾	154,718,051	154,747,368
Over 1 year	247,233	320,156
Total deposits	154,965,284	155,067,524

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 30 September 2017 and 31 December 2016, 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 2017	31 December 2016	30 September 2017	31 December 2016
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	7,323,000	7,323,000	-	-
Unsubordinated unsecured debentures	51,921,200	57,039,000	-	-
Bills of exchange	8,311,122	5,966,122	8,275,000	5,930,000
Promissory notes	797	797	-	-
Total	67,556,119	70,328,919	8,275,000	5,930,000

3.10.1 Subordinated unsecured debentures

As at 30 September 2017 and 31 December 2016, a subsidiary company operating banking business has long-term subordinated unsecured debentures as follows:

Issued year	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
	30 September 2017	31 December 2016		30 September 2017	31 December 2016		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2012	-	1.00	1,000	-	1,000	2022	4.85 percent per annum ⁽¹⁾
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
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	-	1,000	1,000	-	2027	4.00 percent per annum
Total				<u>7,323</u>	<u>7,323</u>		

⁽¹⁾ Subordinated unsecured debenture was early redeemed on 9 March 2017.

3.10.2 Unsubordinated unsecured debentures

As at 30 September 2017 and 31 December 2016, a subsidiary company operating banking business had short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
		30 September 2017	31 December 2016		30 September 2017	31 December 2016		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2015	Long-term debenture	-	15.68	1,000	-	15,680	2017	1.875 - 2.00 percent per annum
2016	Short-term debenture	-	16.859	1,000	-	16,859	2017	1.50 - 1.71 percent per annum
2016	Long-term debenture	5.50	5.50	1,000	5,500	5,500	2018	1.95 - 2.00 percent per annum
2016	Long-term debenture	10.00	10.00	1,000	10,000	10,000	2019	1.85 - 1.95 percent per annum
2016	Short-term debenture	9.00	9.00	1,000	9,000	9,000	2017	1.75 - 1.80 percent per annum
2017	Short-term debenture	7.64	-	1,000	7,639	-	2017	1.45 - 1.67 percent per annum
2017	Short-term debenture	7.50	-	1,000	7,500	-	2018	1.75 - 1.80 percent per annum
2017	Short-term debenture	2.28	-	1,000	2,282	-	2018	1.47 - 1.55 percent per annum
2017	Long-term debenture	5.00	-	1,000	5,000	-	2018	1.85 percent per annum
2017	Long-term debenture	5.00	-	1,000	5,000	-	2019	1.85 percent per annum
Total					<u>51,921</u>	<u>57,039</u>		

3.10.3 Bills of exchange

Bills of exchange comprise bills that mature at call and those that will gradually mature in 2017 and they bear interest at fixed rates of between 1.45 and 2.50 percent per annum.

3.11 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Payable to clearing house	88,325	-	-	-
Withholding income tax and other tax payable	205,200	477,710	12,276	63,324
Accrued insurance premium	624,564	714,434	-	-
Deferred income	1,002,909	1,066,171	-	-
Accrued expenses	3,884,159	2,737,615	1,514,693	1,126,897
Suspense creditors	266,716	390,459	-	-
Other liabilities	323,376	344,693	91	83
Total other liabilities	6,395,249	5,731,082	1,527,060	1,190,304

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 2017 and 31 December 2016, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 946 million and Baht 758 million, respectively (the Company only: Baht 544 million and Baht 390 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.

(Unaudited but reviewed)

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, floor-plan loan, equity exposure and other assets.

Regarding Capital fund as at 30 September 2017 and 31 December 2016, Financial Business Group has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

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

	(Unit: Thousand Baht)	
	As at	
	30 September 2017	31 December 2016
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	8,006,456	8,006,447
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	709,500
Net profits after appropriation	17,711,512	15,729,622
Other components of equity	1,590,189	1,439,760
Less: Deductions from Common Equity Tier I items	(1,090,326)	(955,206)
Total Common Equity Tier I capital	28,037,239	25,948,531
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	99	108
Total Tier I capital	28,037,338	25,948,639
<u>Tier II capital</u>		
Long-term subordinated debentures	7,323,000	7,323,000
Surplus of provision	845,249	804,086
Reserve for loans classified as pass	573,551	512,063
Total Tier II capital	8,741,800	8,639,149
Total capital funds	36,779,138	34,587,788

	(Unit: Percent)			
	As at			
	30 September 2017		31 December 2016	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Capital fund ratios				
Common Equity Tier I capital to risk assets	14.83	5.75	13.77	5.125
Tier I capital to risk assets	14.83	7.25	13.77	6.625
Total capital to risk assets	19.46	9.75	18.36	9.125

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

	(Unit: Thousand Baht)	
	As at	
	30 September 2017	31 December 2016
<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	15,036,972	13,501,650
Other components of equity	220,040	218,920
Less: Deductions from Common Equity Tier I items	(602,762)	(481,432)
Total Common Equity Tier I capital	27,396,950	25,981,838
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	27,396,951	25,981,839
<u>Tier II Capital</u>		
Long-term subordinated debentures	7,323,000	7,323,000
Surplus of provision	830,130	789,422
Reserve for loans classified as pass	444,313	447,354
Total Tier II capital	8,597,443	8,559,776
Total capital funds	35,994,394	34,541,615

(Unit: Percent)

	As at			
	30 September 2017		31 December 2016	
	TISCO		TISCO	
Capital fund ratios	Bank	Requirement	Bank	Requirement
Common Equity Tier I capital to risk assets	15.55	5.75	14.73	5.125
Tier I capital to risk assets	15.55	7.25	14.73	6.625
Total capital to risk assets	20.44	9.75	19.59	9.125

- 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 2017 on its website on 31 October 2017.

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017 and 2016 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	
	2017	2016	2017	2016
Interbank and money market items	181,992	108,128	440,475	382,094
Investments in debt securities	46,009	50,260	149,014	139,730
Loans to customers	1,525,918	1,407,654	4,446,386	4,107,791
Hire purchase and finance lease	2,226,665	2,409,397	6,797,831	7,403,437
Total interest income	3,980,584	3,975,439	11,833,706	12,033,052

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2017	2016	2017	2016
Interbank and money market items	3,373	913	6,770	4,399
Loans to customers	8,820	10,370	26,502	35,123
Total interest income	12,193	11,283	33,272	39,522

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017 and 2016 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	
	2017	2016	2017	2016
Deposits	579,938	587,570	1,699,560	1,884,084
Interbank and money market items	5,869	30,464	22,545	116,160
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	252,746	243,229	742,859	763,251
Issued debt instruments				
- Subordinated debentures	89,487	88,741	268,636	256,868
- Unsubordinated debentures	252,491	242,134	728,635	794,614
Borrowings	27,856	25,629	74,709	77,590
Total interest expenses	<u>1,208,387</u>	<u>1,217,767</u>	<u>3,536,944</u>	<u>3,892,567</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2017	2016	2017	2016
Borrowings	27,627	25,398	65,393	76,906
Total interest expenses	<u>27,627</u>	<u>25,398</u>	<u>65,393</u>	<u>76,906</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 2017 and 2016 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	
	2017	2016	2017	2016
Fee and service income				
- Acceptance, aval and guarantees	1,764	1,442	6,416	6,628
- Insurance service	657,793	580,091	1,867,035	1,770,236
- Brokerage fees	202,535	245,845	596,052	626,390
- Fund management	327,554	292,034	836,632	724,466
- Financial advisory	12,541	15,786	21,773	34,073
- Underwriting fee	35,124	48,954	163,970	70,406
- Others	298,594	278,766	905,935	806,974
Total fee and service income	1,535,905	1,462,918	4,397,813	4,039,173
Fee and service expenses				
- Information service expenses	(6,337)	(6,528)	(19,091)	(19,730)
- Others	(48,723)	(49,753)	(150,358)	(147,204)
Total fee and service expenses	(55,060)	(56,281)	(169,449)	(166,934)
Net fee and service income	1,480,845	1,406,637	4,228,364	3,872,239

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2017	2016	2017	2016
Fee and service income	-	-	-	-
Fee and service expenses	(3,434)	(3,569)	(9,926)	(11,171)
Net fee and service income	(3,434)	(3,569)	(9,926)	(11,171)

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 and nine-month periods ended 30 September 2017 and 2016 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	
	2017	2016	2017	2016
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	(15,754)	(12,455)	(66,679)	(36,586)
- Derivatives on interest rates	(6,742)	2,193	(12,926)	(12,882)
- Debt securities	4,671	1,127	9,626	4,433
Net losses on trading and foreign exchange transactions	<u>(17,825)</u>	<u>(9,135)</u>	<u>(69,979)</u>	<u>(45,035)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2017	2016	2017	2016
Losses on trading and foreign exchange transactions				
- Foreign currencies	(16,282)	(12,452)	(66,667)	(36,592)
Net losses on trading and foreign exchange transactions	<u>(16,282)</u>	<u>(12,452)</u>	<u>(66,667)</u>	<u>(36,592)</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 2017 and 2016 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	
	2017	2016	2017	2016
Gains (losses) on disposal				
- Available-for-sale investments	75	(240)	22,533	6,794
- General investments	2,183	2,518	9,351	7,898
Total	2,258	2,278	31,884	14,692
Reversal allowance (losses) on impairment				
- General investments	3,335	124	3,811	(5,088)
Total	3,335	124	3,811	(5,088)
Net gains on investments	5,593	2,402	35,695	9,604

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 2017 and 2016 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	
	2017	2016	2017	2016
Interbank and money market items	(3,000)	-	-	-
Held-to-maturity debt securities	(2)	(43)	229	(621)
Loans to customers	614,500	1,091,617	1,905,908	2,999,214
Total	611,498	1,091,574	1,906,137	2,998,593

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 2017 and 2016 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	
	2017	2016	2017	2016
Gains on disposal of properties foreclosed	20,437	18,998	64,184	56,539
Others	6,768	9,731	36,522	30,313
Total	27,205	28,729	100,706	86,852

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2017	2016	2017	2016
Rental income	15,670	16,022	47,700	48,297
Others	411	1,721	8,715	3,064
Total	16,081	17,743	56,415	51,361

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 2017 and 2016 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	
	2017	2016	2017	2016
Mailing expenses	15,317	15,454	48,092	47,605
Software amortisation expenses	36,786	19,189	108,561	42,363
Legal expenses	77,287	97,111	222,835	272,930
Transportation expenses	25,897	23,606	71,565	68,842
Repossession and selling expenses of repossessed assets	27,822	29,758	80,451	82,826
Advertising expenses	28,796	23,828	76,058	67,170
Others	56,391	75,730	145,151	180,117
Total	262,296	284,676	752,713	761,853

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Mailing expenses	81	71	198	215
Software amortisation expenses	15,696	7,209	46,113	21,349
Transportation expenses	2,319	2,292	6,545	6,235
Advertising expenses	146	-	896	723
Others	5,206	3,528	29,535	23,329
Total	23,448	13,100	83,287	51,851

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 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Current income tax:				
Income tax expenses for the period	430,827	373,171	1,171,038	1,113,721
Adjustment in respect of current income tax of previous year	-	-	-	(31)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(58,875)	(56,268)	(78,400)	(198,865)
Income tax expenses reported in the statement of comprehensive income	371,952	316,903	1,092,638	914,825

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Current income tax:				
Income tax expenses for the period	14,791	18,145	35,410	51,368
Adjustment in respect of current income tax of previous year	-	-	-	(41)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	1,213	1,927	6,265	5,998
Income tax expenses reported in the statement of comprehensive income	16,004	20,072	41,675	57,325

3.22 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Other comprehensive income				
Available-for-sale investments:				
Gains during the period	58,524	41,546	215,337	99,529
Add (less): Reclassification adjustments for (gains) losses included in profit or loss	(75)	240	(22,533)	(6,794)
	58,449	41,786	192,804	92,735
Actuarial losses	-	-	(131,192)	(99,391)
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	514	1,206	967	24,051
Other comprehensive income	58,963	42,992	62,579	17,395
Income tax effects relating to components of other comprehensive income	(11,690)	(8,357)	(13,521)	1,261
Net other comprehensive income for the period	47,273	34,635	49,058	18,656

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Other comprehensive income				
Available-for-sale investments:				
Gains during the period	47,842	56,306	126,031	69,971
Actuarial losses	-	-	(47,087)	(17,732)
Other comprehensive income	47,842	56,306	78,944	52,239
Income tax effects relating to components of other comprehensive income	(9,568)	(11,261)	(15,788)	(10,448)
Net other comprehensive income for the period	38,274	45,045	63,156	41,791

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					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	58,449	(11,690)	46,759	41,786	(8,357)	33,429
	58,449	(11,690)	46,759	41,786	(8,357)	33,429

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the nine-month periods ended 30 September					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	192,804	(39,590)	153,214	92,735	(18,546)	74,189
Actuarial losses	(131,192)	26,069	(105,123)	(99,391)	19,807	(79,584)
	61,612	(13,521)	48,091	(6,656)	1,261	(5,395)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 30 September					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	47,842	(9,568)	38,274	56,306	(11,261)	45,045
	<u>47,842</u>	<u>(9,568)</u>	<u>38,274</u>	<u>56,306</u>	<u>(11,261)</u>	<u>45,045</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	126,031	(25,206)	100,825	69,971	(13,994)	55,977
Actuarial losses	(47,087)	9,418	(37,669)	(17,732)	3,546	(14,186)
	<u>78,944</u>	<u>(15,788)</u>	<u>63,156</u>	<u>52,239</u>	<u>(10,448)</u>	<u>41,791</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	
	2017	2016	2017	2016
	Profit attributable to equity holders of the Company (Thousand Baht)	1,572,366	1,249,960	4,568,265
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	1.96	1.56	5.71	4.64

(Unaudited but reviewed)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2017	2016	2017	2016
Profit attributable to equity holders of the Company (Thousand Baht)	62,956	81,082	209,338	231,856
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	0.08	0.10	0.26	0.29

3.25 Related party transactions

The relationships between the Company and its related parties.

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
Deutsche TISCO Investment Advisory Co., Ltd.	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd. (Previously known as "TISCO Leasing Co., Ltd.")	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

As at 30 September 2017 and 31 December 2016, the balances of the accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2017	31 December 2016
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items (Assets):		
TISCO Bank Public Company Limited	801,090	533,562
Dividend receivables:		
TISCO Bank Public Company Limited	-	2,027,194
TISCO Asset Management Co., Ltd.	-	459,997
TISCO Securities Co., Ltd.	-	110,000
Hi-Way Co., Ltd.	-	100,000
TISCO Information Technology Co., Ltd.	-	24,999
TISCO Insurance Solution Co., Ltd.		
(Previously known as "TISCO Leasing Co., Ltd.")	-	19,999
TISCO Learning Center Co., Ltd.	-	19,999
Other assets:		
TISCO Bank Public Company Limited	145,778	106,460
TISCO Learning Center Co., Ltd.	2,297	238
Other liabilities:		
TISCO Learning Center Co., Ltd.	1,701	1,539

Loans to related companies

As at 30 September 2017 and 1 January 2017, 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			30 September
	2017	Increase	Decrease	2017
Subsidiary companies				
Loans to customers:				
All-Ways Co., Ltd.	-	2,200,000	-	2,200,000
Hi-Way Co., Ltd.	1,470,000	140,000	-	1,610,000
TISCO Insurance Solution Co., Ltd.				
(Previously known as				
"TISCO Leasing Co., Ltd.")	333,100	-	(333,100)	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods		Terms and pricing policy
	ended 30 September		ended 30 September		
	2017	2016	2017	2016	
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	547,414	415,276	1,564,435	1,345,432	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	12,193	11,284	33,236	39,523	With reference to the terms and prices as offered to other customers
Rental income	15,384	15,762	46,870	47,541	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	43,750	40,750	131,250	122,250	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	3,902	1,519	6,073	3,086	With reference to the prices as offered from other service providers
Other expenses	823	679	1,817	1,764	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 2017	31 December 2016
Loans ⁽¹⁾	16,743	18,744

⁽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 2017	31 December 2016
Deposits	261,039	178,804

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2017 and 2016, the Company and its subsidiaries had short-term benefit paid to their directors and management during the periods and other employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
Short-term benefits	157	164	305	320
Post-employment benefits	13	13	37	38
Total	170	177	342	358

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
Short-term benefits	100	96	183	174
Post-employment benefits	7	6	21	19
Total	107	102	204	193

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 2017 and 2016, respectively.

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 30 September 2017							
Revenue							
External customers	4,103	247	389	(13)	4,726	-	4,726
Inter-segment	50	63	-	717	830	(830)	-
Total revenue	<u>4,153</u>	<u>310</u>	<u>389</u>	<u>704</u>	<u>5,556</u>	<u>(830)</u>	<u>4,726</u>
Operating results:							
Net interest income	2,780	5	2	(15)	2,772	-	2,772
Net fee and service income	923	300	387	172	1,782	(301)	1,481
Other operating income	450	5	-	547	1,002	(529)	473
Total operating income	<u>4,153</u>	<u>310</u>	<u>389</u>	<u>704</u>	<u>5,556</u>	<u>(830)</u>	<u>4,726</u>
Premises and equipment expenses and amortisation	(301)	(19)	(7)	(143)	(470)	156	(314)
Other operating expenses	(1,759)	(232)	(136)	(431)	(2,558)	705	(1,853)
Bad debt, doubtful accounts and impairment losses	(611)	-	-	-	(611)	-	(611)
Total operating expenses	<u>(2,671)</u>	<u>(251)</u>	<u>(143)</u>	<u>(574)</u>	<u>(3,639)</u>	<u>861</u>	<u>(2,778)</u>
Segment profit	1,482	59	246	130	1,917	31	1,948
Income tax expenses							(372)
Non-controlling interests of the subsidiaries							(4)
Profit for the period - equity holders of the Company							<u>1,572</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 nine-month period ended 30 September 2017							
Revenue							
External customers	11,785	802	1,017	(33)	13,571	-	13,571
Inter-segment	136	192	1	1,976	2,305	(2,305)	-
Total revenue	11,921	994	1,018	1,943	15,876	(2,305)	13,571
Operating results:							
Net interest income	8,308	14	5	(30)	8,297	-	8,297
Net fee and service income	2,642	953	1,008	419	5,022	(794)	4,228
Other operating income	971	27	5	1,554	2,557	(1,511)	1,046
Total operating income	11,921	994	1,018	1,943	15,876	(2,305)	13,571
Premises and equipment expenses and amortisation	(813)	(61)	(21)	(421)	(1,316)	413	(903)
Other operating expenses	(4,788)	(696)	(373)	(1,213)	(7,070)	1,984	(5,086)
Bad debt, doubtful accounts and impairment losses	(1,906)	-	-	-	(1,906)	-	(1,906)
Total operating expenses	(7,507)	(757)	(394)	(1,634)	(10,292)	2,397	(7,895)
Segment profit	4,414	237	624	309	5,584	92	5,676
Income tax expenses							(1,093)
Non-controlling interests of the subsidiaries							(15)
Profit for the period - equity holders of the Company							4,568

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	All segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 30 September 2016							
Revenue							
External customers	3,763	307	337	(23)	4,384	-	4,384
Inter-segment	34	73	-	537	644	(644)	-
Total revenue	3,797	380	337	514	5,028	(644)	4,384
Operating results:							
Net interest income	2,767	3	1	(13)	2,758	-	2,758
Net fee and service income	827	372	334	107	1,640	(234)	1,406
Other operating income	203	5	2	420	630	(410)	220
Total operating income	3,797	380	337	514	5,028	(644)	4,384
Premises and equipment expenses and amortisation	(227)	(19)	(7)	(117)	(370)	115	(255)
Other operating expenses	(1,348)	(244)	(119)	(296)	(2,007)	546	(1,461)
Bad debt, doubtful accounts and impairment losses	(1,092)	-	-	-	(1,092)	-	(1,092)
Total operating expenses	(2,667)	(263)	(126)	(413)	(3,469)	661	(2,808)
Segment profit	1,130	117	211	101	1,559	17	1,576
Income tax expenses							(317)
Non-controlling interests of the subsidiaries							(9)
Profit for the period - equity holders of the Company							1,250

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	All segments	Adjustments and eliminations	Consolidated financial statement
For the nine-month period ended 30 September 2016							
Revenue							
External customers	11,185	723	849	(67)	12,690	-	12,690
Inter-segment	84	186	-	1,725	1,995	(1,995)	-
Total revenue	<u>11,269</u>	<u>909</u>	<u>849</u>	<u>1,658</u>	<u>14,685</u>	<u>(1,995)</u>	<u>12,690</u>
Operating results:							
Net interest income	8,163	9	4	(35)	8,141	-	8,141
Net fee and service income	2,471	888	840	333	4,532	(660)	3,872
Other operating income	635	12	5	1,360	2,012	(1,335)	677
Total operating income	<u>11,269</u>	<u>909</u>	<u>849</u>	<u>1,658</u>	<u>14,685</u>	<u>(1,995)</u>	<u>12,690</u>
Premises and equipment expenses and amortisation	(657)	(62)	(20)	(344)	(1,083)	346	(737)
Other operating expenses	(3,983)	(682)	(351)	(997)	(6,013)	1,699	(4,314)
Bad debt, doubtful accounts and impairment losses	(2,999)	-	-	-	(2,999)	-	(2,999)
Total operating expenses	<u>(7,639)</u>	<u>(744)</u>	<u>(371)</u>	<u>(1,341)</u>	<u>(10,095)</u>	<u>2,045</u>	<u>(8,050)</u>
Segment profit	3,630	165	478	317	4,590	50	4,640
Income tax expenses							(915)
Non-controlling interests of the subsidiaries							(12)
Profit for the period - equity holders of the Company							<u>3,713</u>

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 and nine-month periods ended 30 September 2017 and 2016, 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	
	30 September 2017	31 December 2016
Avals	-	268,042
Other guarantees	723,197	728,146
Undrawn client overdraft facilities	30,000	30,000
Interest rate swap agreements	1,200,000	1,200,000
Foreign exchange contracts	52,813	-
Others	7,165,435	6,559,395
Total	9,171,445	8,785,583

3.27.2 Litigation

As at 30 September 2017 and 31 December 2016, the subsidiaries have been sued for compensation totaling approximately Baht 334 million and Baht 312 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 2017 and 31 December 2016, 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 2017	31 December 2016
Payable within:		
Not over 1 year	154	164
Over 1 to 5 years	171	150
Over 5 years	39	46

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

(Unaudited but reviewed)

As of 30 September 2017 and 31 December 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 30 September 2017				
	Book	Fair Value			Total
	Value	Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	419	419	-	-	419
Debt securities	5,930	-	5,930	-	5,930
Unit trusts	904	841	63	-	904
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	31	-	31	-	31

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2016				
	Book	Fair Value			Total
	Value	Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	375	375	-	-	375
Debt securities	5,538	-	5,538	-	5,538
Unit trusts	841	782	59	-	841
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	34	-	34	-	34

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements as at 30 September 2017				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	841	841	-	-	841

(Unit: Million Baht)

	Separate financial statements as at 31 December 2016				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	782	782	-	-	782

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. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend payment
		Preference	Ordinary	dividend paid	period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividends for 2015	The 2016 Annual General Meeting of the Shareholders on 21 April 2016	2.40	2.40	1,921	May 2016
Total dividend payment in year 2016				<u>1,921</u>	
Annual dividends for 2016	The 2017 Annual General Meeting of the Shareholders on 20 April 2017	3.50	3.50	2,802	May 2017
Total dividend payment in year 2017				<u>2,802</u>	

5. Increase in registered share capital of subsidiary company

A resolution passed by the Extraordinary General Meeting of the Shareholders of All-Ways Co., Ltd. (a subsidiary company) No. 3/2560, on 12 September 2017, approved an increase of Baht 600 million in its registered share capital, from Baht 100 million to Baht 700 million, by issuing 6,000,000 new ordinary shares. As a result, the number of ordinary shares will increase from 1,000,000 shares to 7,000,000 shares of Baht 100 each and they are to be 100% paid up. The meeting also approved the amendment of item No. 5 in the memorandum of association, to state that the subsidiary's issued and fully paid-up registered capital is Baht 700 million, consisting of 7,000,000 ordinary shares of Baht 100 each. On 18 September 2017, the Company registered the increase in its share capital and the amendment of its memorandum of association with the Ministry of Commerce.

6. Event after the reporting period

On 1 October 2017, the Company's subsidiaries, TISCO Bank Public Company Limited and All-Ways Company Limited, completed the transfer of the retail banking business of Standard Chartered Bank (Thai) Public Company Limited. From 1 October 2017 the subsidiaries have been provided a services to the transferred customers, including mortgage loan, personal loan, small business loan, wealth management, bancassurance and deposit services.

7. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 November 2017.