

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
30 September 2018



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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 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, 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 2018

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets				
Cash	1,190,329	1,324,808	70	70
Interbank and money market items - net	56,322,966	44,647,149	1,928,508	237,201
Derivatives assets	3.2	3,195	-	-
Investments - net	3.3, 3.7	11,706,190	7,547,143	816,772
Investment in subsidiaries and joint venture - net	3.4	768,578	573,925	20,069,104
Loans to customers and accrued interest receivables	3.5, 3.7			
Loans to customers		259,845,827	271,125,255	1,935,000
Accrued interest receivables		664,716	715,653	-
Total loans to customers and accrued interest receivables		260,510,543	271,840,908	1,935,000
Less: Deferred revenue		(19,794,456)	(19,741,455)	-
Less: Allowance for doubtful accounts	3.6	(12,513,043)	(11,447,166)	-
Less: Allowance for loss on debt restructuring	3.6	(8,346)	(8,948)	-
Loans to customers and accrued interest receivables - net		228,194,698	240,643,339	1,935,000
Properties foreclosed - net		42,380	5,274	-
Investment properties		32,396	32,396	834,503
Premises and equipment - net		2,596,028	2,653,195	837,167
Intangible assets - net		465,539	537,696	160,874
Deferred tax assets		1,052,963	743,145	163,561
Securities and derivatives business receivables - net		1,388,279	2,342,040	-
Dividend receivable from subsidiaries		-	-	4,132,342
Other assets	3.8	2,601,891	2,338,299	186,166
Total assets		306,365,432	303,388,409	26,931,725

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 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and equity					
Liabilities					
Deposits	3.9	191,032,497	180,803,844	-	-
Interbank and money market items		4,021,247	4,017,507	-	-
Liabilities payable on demand		323,489	431,361	-	-
Derivatives liabilities	3.2	12,841	29,815	-	-
Debts issued and borrowings	3.10	62,087,919	71,078,619	6,790,000	7,440,000
Provision for long-term employee benefits		822,626	734,853	173,729	154,228
Deferred tax liabilities		6,552	15,633	-	-
Securities and derivatives business payables - net		2,007,319	2,216,256	-	-
Accrued interest payable		987,500	729,377	14,249	34,268
Income tax payable		425,125	849,052	646	24,690
Other liabilities	3.11	8,729,637	7,750,327	1,752,817	1,433,367
Total liabilities		270,456,752	268,656,644	8,731,441	9,086,553

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

TISCO Financial Group Public Company Limited and its subsidiaries

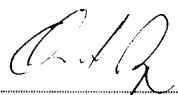
Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each	99	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456	8,006,456
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
Share premium on preference shares	-	-	87	87
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,436
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,545,871	1,653,202	203,730	241,442
Retained earnings				
Appropriated-statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	24,404,373	23,125,364	2,157,476	5,879,117
	<u>35,776,207</u>	<u>34,604,529</u>	<u>18,200,284</u>	<u>21,959,637</u>
Equity attributable to equity holders of the Company				
Non-controlling interests of the subsidiaries	132,473	127,236	-	-
	<u>35,908,680</u>	<u>34,731,765</u>	<u>18,200,284</u>	<u>21,959,637</u>
Total equity				
	<u>306,365,432</u>	<u>303,388,409</u>	<u>26,931,725</u>	<u>31,046,190</u>

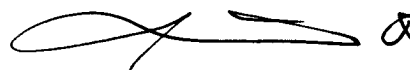
The accompanying notes are an integral part of the financial statements.



Mrs. Oranuch Apisaksirikul
(Chairperson of the Executive Board)



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



Mr. Suthas Ruangmanamongkol
(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 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Continuing operations					
Interest income	3.13	4,408,372	3,980,584	17,771	12,193
Interest expenses	3.14	(1,298,294)	(1,208,387)	(27,329)	(27,627)
Net interest income		3,110,078	2,772,197	(9,558)	(15,434)
Fee and service income		1,531,651	1,523,037	-	-
Fee and service expenses		(57,977)	(55,060)	(2,882)	(3,434)
Net fee and service income	3.15	1,473,674	1,467,977	(2,882)	(3,434)
Net losses on trading and foreign exchange transactions	3.16	(15,925)	(17,825)	(18,427)	(16,282)
Net gains on investments	3.17	228,620	5,593	-	-
Share of profit from investment accounted for under equity method	3.4	22,225	34,634	-	-
Dividend income		25,755	99,343	-	-
Penalty fee income from loans		83,729	88,797	-	-
Intercompany supporting fee income	3.25	-	-	539,007	547,414
Other operating income	3.19, 3.25	43,163	27,205	19,410	16,081
Total operating income		4,971,319	4,477,921	527,550	528,345
Operating expenses					
Employee's expenses		1,508,428	1,317,916	290,752	313,719
Directors' remuneration		3,750	3,270	3,750	3,270
Premises and equipment expenses		303,858	277,406	114,614	108,902
Taxes and duties		74,478	57,124	48	46
Other operating expenses	3.20	288,910	262,296	24,231	23,448
Total operating expenses		2,179,424	1,918,012	433,395	449,385
Bad debt, doubtful accounts and impairment losses	3.18	788,356	611,498	-	-
Profit from operations before income tax expenses		2,003,539	1,948,411	94,155	78,960
Income tax expenses	3.21	392,227	371,952	18,769	16,004
Profit for the period from continuing operations		1,611,312	1,576,459	75,386	62,956
Discontinued operations					
Profit for the period from discontinued operations	5	210,727	-	-	-
Profit for the period		1,822,039	1,576,459	75,386	62,956

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 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other comprehensive income:	3.22				
Continuing operations					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		37,586	58,449	(3,290)	47,842
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	755	514	-	-
Income tax effects	3.23	(7,517)	(11,690)	658	(9,568)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		30,824	47,273	(2,632)	38,274
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains		1,871	-	-	-
Income tax effects	3.23	(771)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,100	-	-	-
Other comprehensive income for the period from continuing operations		31,924	47,273	(2,632)	38,274
Total other comprehensive income for the period		31,924	47,273	(2,632)	38,274
Total comprehensive income					
Total comprehensive income from continuing operations		1,643,236	1,623,732	72,754	101,230
Total comprehensive income from discontinued operations		210,727	-	-	-
Total comprehensive income for the period		1,853,963	1,623,732	72,754	101,230
Profits attributable to					
Equity holders of the Company					
Profit for the period from continuing operations	3.24	1,604,129	1,572,366	75,386	62,956
Profit for the period from discontinued operations	5	210,727	-	-	-
Profit for the period attributable to the Company		1,814,856	1,572,366	75,386	62,956
Non-controlling interests of the subsidiaries					
Profit for the period from continuing operations		7,183	4,093		
Profit for the period from discontinued operations		-	-		
Profit for the period attributable to non-controlling interests of the subsidiaries		7,183	4,093		
		1,822,039	1,576,459		

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 2018

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

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income for the period from continuing operations	1,636,053	1,619,639	72,754	101,230
Total comprehensive income for the period from discontinued operations	210,727	-	-	-
Total comprehensive income for the period attributable to the Company	<u>1,846,780</u>	<u>1,619,639</u>	<u>72,754</u>	<u>101,230</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income for the period from continuing operations	7,183	4,093		
Total comprehensive income for the period from discontinued operations	-	-		
Total comprehensive income for the period attributable to non-controlling interests of the subsidiaries	<u>7,183</u>	<u>4,093</u>		
	<u>1,853,963</u>	<u>1,623,732</u>		
Earnings per share of equity holders of the Company				
Basic earnings per share (Baht per share)	3.24			
Equity holder of the Company				
Profit from continuing operations	2.00	1.96	0.09	0.08
Profit from discontinued operations	0.27	-	-	-
	<u>2.27</u>	<u>1.96</u>	<u>0.09</u>	<u>0.08</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 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Continuing operations					
Interest income	3.13	13,310,631	11,833,706	55,901	33,272
Interest expenses	3.14	(3,774,722)	(3,536,944)	(65,685)	(65,393)
Net interest income		9,535,909	8,296,762	(9,784)	(32,121)
Fee and service income		4,756,507	4,388,101	-	-
Fee and service expenses		(182,403)	(169,449)	(12,478)	(9,926)
Net fee and service income	3.15	4,574,104	4,218,652	(12,478)	(9,926)
Net gains (losses) on trading and foreign exchange transactions	3.16	1,756	(69,979)	(7,074)	(66,667)
Net gains on investments	3.17	493,995	35,695	23	-
Share of profit from investment accounted for under equity method	3.4	191,530	97,649	-	-
Dividend income		61,384	138,178	-	-
Penalty fee income from loans		253,186	288,960	-	-
Intercompany supporting fee income	3.25	-	-	1,625,180	1,564,435
Other operating income	3.19, 3.25	149,758	100,706	55,940	56,415
Total operating income		15,261,622	13,106,623	1,651,807	1,512,136
Operating expenses					
Employee's expenses		4,408,732	3,799,813	844,992	847,402
Directors' remuneration		11,340	9,470	11,340	9,470
Premises and equipment expenses		897,568	794,793	343,975	318,976
Taxes and duties		230,075	167,631	2,150	1,988
Other operating expenses	3.20	1,058,111	752,713	102,659	83,287
Total operating expenses		6,605,826	5,524,420	1,305,116	1,261,123
Bad debt, doubtful accounts and impairment losses	3.18	2,236,942	1,906,137	-	-
Profit from operations before income tax expenses		6,418,854	5,676,066	346,691	251,013
Income tax expenses	3.21	1,229,656	1,092,638	59,704	41,675
Profit for the period from continuing operations		5,189,198	4,583,428	286,987	209,338
Discontinued operations					
Profit for the period from discontinued operations	5	128,306	-	-	-
Profit for the period		5,317,504	4,583,428	286,987	209,338

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 2018

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other comprehensive income:	3.22				
Continuing operations					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		(126,806)	192,804	(45,736)	126,031
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	3,122	967	-	-
Income tax effects	3.23	23,817	(39,590)	9,147	(25,206)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(99,867)	154,181	(36,589)	100,825
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(18,575)	(131,192)	(8,386)	(47,087)
Income tax effects	3.23	2,945	26,069	1,677	9,418
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(15,630)	(105,123)	(6,709)	(37,669)
Other comprehensive income for the period from continuing operations		(115,497)	49,058	(43,298)	63,156
Total other comprehensive income for the period		(115,497)	49,058	(43,298)	63,156
Total comprehensive income					
Total comprehensive income from continuing operations		5,073,701	4,632,486	243,689	272,494
Total comprehensive income from discontinued operations		128,306	-	-	-
Total comprehensive income for the period		5,202,007	4,632,486	243,689	272,494
Profits attributable to					
Equity holders of the Company					
Profit for the period from continuing operations	3.24	5,161,793	4,568,265	286,987	209,338
Profit for the period from discontinued operations	5	128,306	-	-	-
Profit for the period attributable to the Company		5,290,099	4,568,265	286,987	209,338
Non-controlling interests of the subsidiaries					
Profit for the period from continuing operations		27,405	15,163		
Profit for the period from discontinued operations		-	-		
Profit for the period attributable to non-controlling interests of the subsidiaries		27,405	15,163		
		5,317,504	4,583,428		

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 2018

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

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Total comprehensive income attributable to				
Equity holders of the Company				
Total comprehensive income for the period from continuing operations	5,046,414	4,617,593	243,689	272,494
Total comprehensive income for the period from discontinued operations	128,306	-	-	-
Total comprehensive income for the period attributable to the Company	<u>5,174,720</u>	<u>4,617,593</u>	<u>243,689</u>	<u>272,494</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income for the period from continuing operations	27,287	14,893		
Total comprehensive income for the period from discontinued operations	-	-		
Total comprehensive income for the period attributable to non-controlling interests of the subsidiaries	<u>27,287</u>	<u>14,893</u>		
	<u>5,202,007</u>	<u>4,632,486</u>		
Earnings per share of equity holders of the Company				
Basic earnings per share (Baht per share)	3.24			
Equity holder of the Company				
Profit from continuing operations	6.45	5.71	0.36	0.26
Profit from discontinued operations	0.16	-	-	-
	<u>6.61</u>	<u>5.71</u>	<u>0.36</u>	<u>0.26</u>

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

(Unaudited but reviewed)

TISCO Financial Group Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before income tax from continuing operations	6,418,854	5,676,066	346,691	251,013
Profit before income tax from discontinued operations	128,306	-	-	-
Profits from operations before income tax	6,547,160	5,676,066	346,691	251,013
Adjustments to reconcile profit before income tax				
to net cash provided by (paid from) operating activities				
Depreciation and amortisation	289,832	256,297	113,891	99,077
Share of profit from investment accounted for under equity method	(191,530)	(97,649)	-	-
Bad debts and doubtful accounts	3,925,467	3,416,499	-	-
Reversal of allowance for impairment of investments	(1,134)	(3,582)	-	-
Allowance for impairment of properties foreclosed	652	374	-	-
Gains on disposal of investments in securities	(492,971)	(31,884)	-	-
Unrealised (gains) losses on foreign exchange transactions				
and trading derivatives	(2,886)	63,730	7,074	66,667
Gains on disposal of equipment and intangible assets	(5,229)	(12,932)	(972)	(7,594)
Losses on written-off of equipment	482	243	-	-
Gains on disposal of properties foreclosed	(58,926)	(64,184)	-	-
Employee benefit expenses	80,168	31,843	12,328	3,678
(Increase) decrease in accrued income	230,478	(83,152)	5,075	(41,378)
Increase in accrued expenses	1,674,844	1,146,543	397,910	387,796
Net interest income	(9,749,809)	(8,296,762)	9,784	32,121
Dividend income	(61,384)	(138,178)	-	-
Cash received on interest income	13,363,806	12,021,049	55,505	33,171
Cash paid on interest expenses	(2,682,060)	(2,700,797)	(85,705)	(65,975)
Cash received on dividend income	61,384	63,178	4,132,342	2,762,189
Cash paid on income tax expenses	(1,945,879)	(1,392,837)	(85,934)	(84,918)
Profit from operating activities before changes				
in operating assets and liabilities	10,982,465	9,853,865	4,907,989	3,435,847
Operating assets (increase) decrease				
Interbank and money market items	(11,675,795)	(8,728,655)	(1,691,307)	(267,528)
Loans to customers	7,213,002	6,340,316	1,605,000	(2,006,900)
Securities and derivatives business receivables	953,761	(1,064,762)	-	-
Receivables from clearing house	(628,005)	(43,174)	-	-
Properties foreclosed	1,277,986	1,569,420	-	-
Other assets	128,669	-387,491	-25,044	-27,015

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 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Operating liabilities increase (decrease)				
Deposits	10,228,653	(102,240)	-	-
Interbank and money market items	3,740	(1,371,501)	-	-
Liabilities payable on demand	(107,872)	114,760	-	-
Securities and derivatives business payables	(208,937)	1,012,563	-	-
Short-term debts issued and borrowings	(23,490,700)	2,907,200	(650,000)	2,345,000
Payable to clearing house	(113,385)	88,325	-	-
Provision for long-term employee benefits	(10,970)	(13,189)	(1,213)	(1,755)
Other liabilities	(1,229,466)	(1,080,677)	(78,460)	(38,533)
Net cash flows from (used in) operating activities	(6,676,854)	9,094,760	4,066,965	3,439,116
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(26,868,299)	(6,065,818)	-	-
Cash received from disposal of investment in securities held for investment	23,069,477	5,720,920	-	-
Cash paid for purchase of investment in subsidiaries	-	-	-	(600,022)
Cash paid for purchase of equipment	(115,480)	(123,360)	(33,811)	(37,703)
Cash paid for purchase of intangible assets	(53,706)	(35,976)	(31,084)	(6,698)
Cash received from disposal of equipment	11,788	12,936	972	7,594
Cash received from disposal of intangible assets	1,637	-	-	-
Net cash flows used in investing activities	(3,954,583)	(491,298)	(63,923)	(636,829)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	20,000,000	11,000,000	-	-
Cash paid for redemption of long-term debentures	(5,500,000)	(16,680,000)	-	-
Dividend paid	(4,003,042)	(2,802,287)	(4,003,042)	(2,802,287)
Net cash flows from (used in) financing activities	10,496,958	(8,482,287)	(4,003,042)	(2,802,287)
Net increase (decrease) in cash	(134,479)	121,175	-	-
Cash at beginning of the period	1,324,808	1,149,005	70	70
Cash at end of the period	1,190,329	1,270,180	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 2018

(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 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
Balance as at 1 January 2018	99	8,006,456	1,018,408	96,908	879,285	(2,257)	679,266	1,653,202	801,000	23,125,364	34,604,529	127,236	34,731,765
Dividend paid	4	-	-	-	-	-	-	-	-	(4,003,042)	(4,003,042)	-	(4,003,042)
Profit for the period	-	-	-	-	-	-	-	-	-	5,290,099	5,290,099	27,405	5,317,504
Other comprehensive income for the period	-	-	-	(102,989)	-	3,122	-	(99,867)	-	(15,512)	(115,379)	(118)	(115,497)
Total comprehensive income for the period	-	-	-	(102,989)	-	3,122	-	(99,867)	-	5,274,587	5,174,720	27,287	5,202,007
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(7,464)	-	-	(7,464)	-	7,464	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(22,050)	(22,050)
Balance as at 30 September 2018	99	8,006,456	1,018,408	(6,081)	871,821	865	679,266	1,545,871	801,000	24,404,373	35,776,207	132,473	35,908,680

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 2018

(Unit: Thousand Baht)

Note	Separate financial statements									
	Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
	Preference	Ordinary	Preference	Ordinary	Surplus (deficit) on	Surplus on	Total other	Appropriated	Unappropriated	
	shares	shares	shares	shares	changes in value of	revaluation of	components			
				available-for-sale	assets	of equity				
				investments						
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	<u>99</u>	<u>8,006,456</u>	<u>87</u>	<u>7,031,436</u>	<u>(20,684)</u>	<u>225,364</u>	<u>204,680</u>	<u>801,000</u>	<u>1,662,631</u>	<u>17,706,389</u>
Balance as at 1 January 2018	99	8,006,456	87	7,031,436	16,457	224,985	241,442	801,000	5,879,117	21,959,637
Dividend paid	4	-	-	-	-	-	-	-	(4,003,042)	(4,003,042)
Profit for the period		-	-	-	-	-	-	-	286,987	286,987
Other comprehensive income for the period		-	-	-	(36,589)	-	(36,589)	-	(6,709)	(43,298)
Total comprehensive income for the period		-	-	-	(36,589)	-	(36,589)	-	280,278	243,689
Transfer surplus on revaluation of assets										
to retained earnings		-	-	-	-	(1,123)	(1,123)	-	1,123	-
Balance as at 30 September 2018	<u>99</u>	<u>8,006,456</u>	<u>87</u>	<u>7,031,436</u>	<u>(20,132)</u>	<u>223,862</u>	<u>203,730</u>	<u>801,000</u>	<u>2,157,476</u>	<u>18,200,284</u>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2018

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 are prepared in accordance with Thai Accounting Standard No. 34 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 and 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 2017. 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

a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2017.

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 2018 and 31 December 2017 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 2018	31 December 2017
<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.	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.	Retail loan	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 as follows:

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	30 September 2018			31 December 2017		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	3,195	-	405,040	-	-	-
Interest rate	-	12,841	1,200,000	-	29,815	1,200,000
Total	3,195	12,841	1,605,040	-	29,815	1,200,000

All counterparties of these derivatives 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 2018	31 December 2017
Available-for-sale investments - fair value		
Government and state enterprise securities	9,653,984	4,642,791
Private sector debt securities	186,782	692,188
Foreign sector debt securities	401,888	408,961
Domestic marketable equity securities	363,580	449,179
Other securities - domestic unit trusts	65,138	65,540
Other securities - foreign unit trusts	816,772	869,582
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	11,486,684	7,126,781
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	13,573	13,683
Less: Allowance for impairment	(13,573)	(13,683)
Total held-to-maturity debt securities	-	-
General investments - cost		
Domestic non-marketable equity securities	254,134	456,014
Less: Allowance for impairment	(34,628)	(35,652)
Total general investments	219,506	420,362
Investments - net	11,706,190	7,547,143

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2018	31 December 2017
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	816,772	869,582
Investments - net	816,772	869,582

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 2018				31 December 2017			
	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	9,651	3	-	9,654	4,641	-	2	4,643
Private sector debt securities	403	185	-	588	812	289	-	1,101
Total	10,054	188	-	10,242	5,453	289	2	5,744
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	10,053	188	-	10,241	5,452	289	2	5,743
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	14	-	-	14
Less: Allowance for impairment	(14)	-	-	(14)	(14)	-	-	(14)
Total	-	-	-	-	-	-	-	-
Total debt securities	10,053	188	-	10,241	5,452	289	2	5,743

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restrictions
	30 September 2018	31 December 2017	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	-	774	Pledge for the use of credit balance on clearing position

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2018			
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	1,460	-	1,460

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2017			
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	1,460	-	1,460

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 2018			31 December 2017		
	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
Trading import and export:						
Juki (Thailand) Co., Ltd.	3,659	-	10	3,240	-	10
PDTL Trading Co., Ltd.	4,320	-	10	4,275	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	3,932	-	10	3,659	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	18,315	-	10	18,062	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Investment in subsidiaries	-	-	19,995,859	19,995,859
Investment in joint venture	768,578	573,925	73,245	73,245
	<u>768,578</u>	<u>573,925</u>	<u>20,069,104</u>	<u>20,069,104</u>

3.4.1 Investment in subsidiaries

(Unit: Million Baht)

Company's name	Nature of business	Separate financial statements							
		Type of investment as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the nine-month periods ended	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	30 September 2017
				(%)	(%)				
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.	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.	Retail loan	Ordinary shares	Ordinary shares	99.99	99.99	700	700	-	-
						<u>20,105</u>	<u>20,105</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment						<u>(109)</u>	<u>(109)</u>		
Investment in subsidiaries - net						<u>19,996</u>	<u>19,996</u>		

3.4.2 Investment in joint venture

a) Details of investment in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	768,578	573,925

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Separate financial statements							
		Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(%)	(%)						
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:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the three-month periods ended		Share of other comprehensive income from investment in joint venture for the three-month periods ended		Dividend received for the three-month periods ended	
	30 September 2018	30 September 2017	30 September 2018	30 September 2017	30 September 2018	30 September 2017
TISCO Tokyo Leasing Co., Ltd.	22,225	34,634	755	514	-	-

(Unaudited but reviewed)

	Consolidated financial statements				(Unit: Thousand Baht) 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 investment in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
Jointly controlled entity	2018	2017	2018	2017	2018	2017
TISCO Tokyo Leasing Co., Ltd.	191,531	97,649	3,122	967	-	-

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by type of loans to customers

	(Unit: Thousand Baht) Consolidated financial statements as at	
	30 September 2018	31 December 2017
Loans to customers		
Overdrafts	434,658	551,542
Loans	100,060,768	109,917,587
Hire purchase receivables	159,321,961	160,573,930
Finance lease receivables	83,297	197,102
Less: Deferred revenue	(19,794,456)	(19,741,455)
Advances received from finance lease receivables	(54,857)	(114,906)
Total loans to customers	240,051,371	251,383,800
Add: Accrued interest receivables	664,716	715,653
Less: Allowance for doubtful accounts	(12,513,043)	(11,447,166)
Allowance for loss on debt restructuring	(8,346)	(8,948)
Loans to customers and accrued interest receivables - net	228,194,698	240,643,339

	(Unit: Thousand Baht) Separate financial statements as at	
	30 September 2018	31 December 2017
Loans to customers		
Loans	1,935,000	3,540,000
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	1,935,000	3,540,000

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2018			31 December 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	232,895,269	6,751,062	239,646,331	245,051,902	6,331,898	251,383,800
US Dollar	-	405,040	405,040	-	-	-
Total loans to customers						
net of deferred revenue	<u>232,895,269</u>	<u>7,156,102</u>	<u>240,051,371</u>	<u>245,051,902</u>	<u>6,331,898</u>	<u>251,383,800</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2018			31 December 2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,935,000	-	1,935,000	3,540,000	-	3,540,000
Total loans to customers						
net of deferred revenue	<u>1,935,000</u>	<u>-</u>	<u>1,935,000</u>	<u>3,540,000</u>	<u>-</u>	<u>3,540,000</u>

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

(Unit: Million Baht)

	As at					
	30 September 2018			31 December 2017		
	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}
Provision under BOT's guidelines						
- Pass	215,378	178,874	2,642	222,953	185,825	3,320
- Special mention	15,467	14,149	2,953	17,351	15,503	3,591
- Sub-standard	2,895	2,154	1,441	2,437	2,214	889
- Doubtful	1,649	1,248	752	1,400	1,170	423
- Doubtful of loss	1,370	821	764	1,465	852	389
Allowance established in excess	-	-	3,357	-	-	2,088
Total	<u>236,759</u>	<u>197,246</u>	<u>11,909</u>	<u>245,606</u>	<u>205,564</u>	<u>10,700</u>

⁽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 2018, 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 7,408 million (As at 31 December 2017: total of Baht 6,140 million). TISCO Bank allocated Baht 4,051 million of the excess provision to specific provision for individual debtors (As at 31 December 2017: total of Baht 4,051 million) and so combined with the minimum provision requirement of Baht 4,501 million (As at 31 December 2017: total of Baht 4,561 million), the total provision set aside in accordance with BOT's requirement is Baht 8,552 million (As at 31 December 2017: total of Baht 8,612 million).

Percentage of allowance for doubtful accounts set up (%)

	Percentage of allowance for doubtful accounts set up (%)					
	Hire purchase receivables ⁽¹⁾		Loan against auto		Other loans ⁽²⁾	
			license receivables ⁽¹⁾			
	As at		As at		As at	
30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
Pass	0.85	0.94	1.66	1.63	1	1
Special mention	11.78	10.44	16.80	16.80	2	2
Sub-standard	26.10	30.33	37.32	35.75	100	100
Doubtful	26.20	26.43	37.32	35.75	100	100
Doubtful of loss	29.48	25.32	37.32	35.75	100	100

⁽¹⁾ These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for 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 2018, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 139,735 million (31 December 2017: Baht 141,107 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	Consolidated financial statements as at 30 September 2018				
	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	50,721	95,301	5,693	7,690	159,405
Less: Deferred revenue ⁽¹⁾	(6,810)	(8,573)	(223)	(4,009)	(19,615)
Advances received from finance lease receivables	(40)	(14)	-	(1)	(55)
Present value of minimum lease pay from agreements	43,871	86,714	5,470	3,680	139,735
Allowance for doubtful accounts ⁽²⁾					(3,795)
Net hire purchase and finance lease receivables					135,940

⁽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.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 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	53,110	94,869	5,533	7,259	160,771
Less: Deferred revenue ⁽¹⁾	(7,082)	(8,677)	(212)	(3,578)	(19,549)
Advances received from finance lease receivables	(80)	(34)	-	(1)	(115)
Present value of minimum lease pay from agreements	45,948	86,158	5,321	3,680	141,107
Allowance for doubtful accounts ⁽²⁾					(3,869)
Net hire purchase and finance lease receivables					137,238

⁽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.

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

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾ as at		Amounts calculated under TISCO Bank's policy as at	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	6,115	6,122	7,298

⁽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 2018	31 December 2017
Hire purchase receivables, finance lease receivables and other loan receivables for which the recognition of interest income has been ceased	600	559

(Unaudited but reviewed)

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

(Unit: Million Baht)

	Consolidated financial statements as at	
	30 September 2018	31 December 2017
Deferred revenue ⁽¹⁾	19,794	19,741

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

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Debtors restructured during the period				
Number of debtors restructured by modification of terms (number)	289	860	921	3,029
Loan balances before restructuring (Million Baht)	673	242	858	933
Loan balances after restructuring (Million Baht)	670	244	855	939
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	4	4	4	4
Mortgage loan receivables	4	4	4	4
Loan against auto license receivables	5	4	5	4

Supplemental information for the three-month and nine-month periods ended 30 September 2018 and 2017 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
Interest income on restructured receivables	64	93	215	280
Receipt of principal and interest	390	407	1,183	1,115

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

	As at			
	30 September 2018		31 December 2017	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	15,119	4,082	17,265	4,646

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 2018						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	3,608,773	3,677,986	996,640	488,633	473,173	2,201,961	11,447,166
Increase (decrease) in allowance for doubtful accounts during the period	(676,684)	(609,742)	909,127	1,344,770	1,686,039	1,272,558	3,926,068
Bad debt written-off	(10,167)	(24,013)	(282,283)	(1,000,922)	(1,316,078)	-	(2,633,463)
Transfer out from sales of receivables (Note 5)	(142,148)	(8,753)	(75,011)	(780)	(36)	-	(226,728)
Balance - end of period	<u>2,779,774</u>	<u>3,035,478</u>	<u>1,548,473</u>	<u>831,701</u>	<u>843,098</u>	<u>3,474,519</u>	<u>12,513,043</u>

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2017						
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	2,775,661	2,123,183	935,111	494,702	369,707	1,275,526	7,973,890
Increase in allowance for doubtful accounts during the year	835,353	1,578,102	276,639	1,327,506	2,012,151	926,435	6,956,186
Bad debt written-off	(2,241)	(23,299)	(215,110)	(1,333,575)	(1,908,685)	-	(3,482,910)
Balance - end of year	<u>3,608,773</u>	<u>3,677,986</u>	<u>996,640</u>	<u>488,633</u>	<u>473,173</u>	<u>2,201,961</u>	<u>11,447,166</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 September 2018			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	4,528,536	4,716,669	2,201,961	11,447,166
Increase in allowance for doubtful accounts during the period	802,972	1,850,538	1,272,558	3,926,068
Bad debt written-off	(814,331)	(1,819,132)	-	(2,633,463)
Transfer out from sales of receivables (Note 5)	(93,531)	(133,197)	-	(226,728)
Balance - end of period	<u>4,423,646</u>	<u>4,614,878</u>	<u>3,474,519</u>	<u>12,513,043</u>

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2017			
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of year	2,630,677	4,067,687	1,275,526	7,973,890
Increase in allowance for doubtful accounts during the year	2,553,187	3,476,564	926,435	6,956,186
Bad debt written-off	(655,328)	(2,827,582)	-	(3,482,910)
Balance - end of year	<u>4,528,536</u>	<u>4,716,669</u>	<u>2,201,961</u>	<u>11,447,166</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2018	31 December 2017
Balance - beginning of period/year	8,948	9,748
Increase during the period/year	-	-
Amortisation during period/year	(602)	(800)
Balance - end of period/year	<u>8,346</u>	<u>8,948</u>

(Unaudited but reviewed)

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

(Unit: Million Baht)

	As at	
	30 September 2018	31 December 2017
Non-performing loans to customers	5,914	5,300
Allowance for doubtful accounts ⁽¹⁾	2,957	1,701

⁽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)

Allowance for possible loss provided in the accounts

	Cost as at		Fair value as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
Debt instruments - debentures ⁽¹⁾	1	1	-	-	1	1

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

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

As at 30 September 2018 and 31 December 2017, the quality of assets of a subsidiary company operating banking business classified in accordance with the Bank of Thailand's guidelines is as follows:

(Unit: Million Baht)

	Loans to customers ⁽¹⁾		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Pass	268,825	263,479	-	-	-	-	-	-	268,825	263,479
Special mention	15,298	17,158	-	-	-	-	-	-	15,298	17,158
Sub-standard	2,895	2,435	-	-	-	-	-	-	2,895	2,435
Doubtful	1,649	1,400	-	-	-	-	-	-	1,649	1,400
Doubtful of loss	1,369	1,465	36	37	14	14	13	12	1,432	1,528
Total	290,036	285,937	36	37	14	14	13	12	290,099	286,000

⁽¹⁾ Loans to customers included investment in debt securities under resale agreements of other commercial banks and loan to financial institutions (which are presented as part of interbank and money market items - asset in the statement of financial position).

3.7.3 Classification of assets under the Bank of Thailand's guidelines for which a subsidiary company operating banking business sets aside provision using a collective approach

3.7.3.1 Hire purchase receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting 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 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
					(%)	(%)		
Pass	121,459	122,116	121,459	122,116	0.85	0.94	1,034	1,142
Special mention	11,224	12,298	11,224	12,298	11.78	10.44	1,322	1,284
Sub-standard	1,580	1,638	1,580	1,638	26.10	30.33	412	497
Doubtful	881	891	881	891	26.20	26.43	231	236
Doubtful of loss	667	660	667	660	29.48	25.32	197	167
Total	135,811	137,603	135,811	137,603			3,196	3,326

⁽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 amounts 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 up 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 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
					(%)	(%)		
Pass	23,071	20,027	23,071	20,027	1.66	1.63	382	327
Special mention	2,072	1,731	2,072	1,731	16.80	16.80	348	291
Sub-standard	373	288	373	288	37.32	35.75	139	103
Doubtful	163	143	163	143	37.32	35.75	61	51
Doubtful of loss	36	33	36	33	37.32	35.75	14	12
Total	25,715	22,222	25,715	22,222			944	784

⁽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 amounts 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.

(Unaudited but reviewed)

3.7.4 Hire purchase receivables/finance lease receivables and other loan receivables of other subsidiaries classified in accordance with the Bank of Thailand's guidelines are as follows:

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		Debt balance - net	
	as at		as at		as at	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Pass	2,864	5,407	138	338	2,726	5,069
Special mention	493	512	178	127	315	385
Sub-standard	203	195	108	108	95	87
Doubtful	156	124	80	66	76	58
Doubtful of loss	198	209	100	108	98	101
Total	3,914	6,447	604	747	3,310	5,700

3.7.5 Loans to customers with weak financial position and operating results of a subsidiary company operating banking business

	Number of debtors		Debt balance		Collateral value		Allowance for doubtful accounts provided in the accounts ⁽²⁾	
	as at		as at		as at		as at	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET ⁽¹⁾	1	1	594	737	547	635	594 ⁽³⁾	737 ⁽³⁾
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	4	1,733	662	861	255	641	8
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	10	5	2,327	1,399	1,408	890	1,235	745

⁽¹⁾ The Company is currently under rehabilitation.

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

⁽³⁾ The amount 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 2018	31 December 2017	30 September 2018	31 December 2017
Receivables from clearing house	628,392	387	-	-
Value added tax - net	427,230	478,262	3,113	3,810
Accrued interest receivables	15,765	27,468	-	-
Fee and service receivables	354,953	585,431	125,165	130,240
Refundable income tax and prepaid income tax	38,687	29,122	-	-
Deposits	78,649	74,638	2,118	2,118
Other receivables	564,942	732,083	-	3
Other assets	493,273	410,908	55,770	29,630
Total other assets	2,601,891	2,338,299	186,166	165,801

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2018	31 December 2017
Deposits		
Current accounts	2,624,459	3,785,003
Saving accounts	57,542,195	64,544,344
Fixed accounts		
- not over 6 months	6,160,910	8,978,148
- over 6 months but not over 1 year	26,538,091	10,389,836
- over 1 year	3,054,078	492,353
Certificates of deposit/negotiable certificates of deposit	95,112,764	92,614,160
Total	191,032,497	180,803,844

3.9.2 Classified by the remaining period of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2018	31 December 2017
Not over 1 year ⁽¹⁾	187,771,252	180,398,973
Over 1 year	3,261,245	404,871
Total deposits	191,032,497	180,803,844

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 30 September 2018 and 31 December 2017, all outstanding deposits are deposits from domestic depositors and in Baht.

3.10 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,680,000	6,680,000	-	-
Unsubordinated unsecured debentures	48,581,000	56,921,700	-	-
Bills of exchange	6,826,122	7,476,122	6,790,000	7,440,000
Promissory notes	797	797	-	-
Total	<u>62,087,919</u>	<u>71,078,619</u>	<u>6,790,000</u>	<u>7,440,000</u>

3.10.1 Subordinated unsecured debentures

As at 30 September 2018 and 31 December 2017, 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 2018	31 December 2017		30 September 2018	31 December 2017		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
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	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	600	2027	3.70 percent per annum
Total				<u>6,680</u>	<u>6,680</u>		

3.10.2 Unsubordinated unsecured debentures

As at 30 September 2018 and 31 December 2017, a subsidiary company operating banking business has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at		Face value	Balance as at		Maturity	Interest rate
		30 September	31 December	per unit	30 September	31 December	in the	
		2018	2017	(Baht)	2018	2017	year	
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	Long-term debenture	-	5.50	1,000	-	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
2017	Short-term debenture	-	7.50	1,000	-	7,500	2018	1.75 - 1.80 percent per annum
2017	Short-term debenture	-	15.922	1,000	-	15,922	2018	1.38 - 1.55 percent per annum
2017	Long-term debenture	5.00	5.00	1,000	5,000	5,000	2019	1.85 percent per annum
2017	Long-term debenture	5.00	5.00	1,000	5,000	5,000	2018	1.85 percent per annum
2017	Long-term debenture	8.00	8.00	1,000	8,000	8,000	2019	1.75 percent per annum
2018	Short-term debenture	0.581	-	1,000	581	-	2018	1.44 - 1.45 percent per annum
2018	Long-term debenture	5.00	-	1,000	5,000	-	2019	1.75 percent per annum
2018	Long-term debenture	3.00	-	1,000	3,000	-	2019	1.68 percent per annum
2018	Long-term debenture	4.00	-	1,000	4,000	-	2020	1.65 percent per annum
2018	Long-term debenture	6.00	-	1,000	6,000	-	2020	1.75 percent per annum
2018	Long-term debenture	2.00	-	1,000	2,000	-	2020	2.05 percent per annum
Total					48,581	56,922		

3.10.3 Bills of exchange

Bills of exchange comprise bills of exchange that mature at call and those that will gradually mature in 2018 and they bear interest at fixed rates between 1.57 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 2018	31 December 2017	30 September 2018	31 December 2017
Payable to clearing house	-	113,385	-	-
Withholding income tax and other tax payables	180,401	492,052	12,474	90,939
Accrued insurance premium	588,909	628,572	-	-
Deferred income	1,444,797	1,080,943	-	-
Deferred revenue from customer loyalty programs	-	296,865	-	-
Accrued expenses	5,014,333	3,339,489	1,740,247	1,342,337
Suspense creditors	1,034,318	1,282,132	-	-
Other liabilities	466,879	516,889	96	91
Total other liabilities	8,729,637	7,750,327	1,752,817	1,433,367

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 2018 and 31 December 2017, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 1,023 million and Baht 972 million, respectively (the Company only: Baht 550 million and Baht 530 million, respectively).

3.12 Capital funds

3.12.1 The primary objectives of the Group's capital management are to maintain its ability to continue as a going concern and to maintain capital adequacy ratio, cash liquidity and others in accordance with the regulations of the Bank of Thailand or relevant regulatory agencies.

3.12.2 TISCO Group 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 loans, equity exposure and other assets.

Regarding Capital fund as at 30 September 2018 and 31 December 2017, 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 2018	31 December 2017
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	19,122,322	17,711,512
Other components of equity	1,545,871	1,649,726
Less: Deductions from Common Equity Tier I items	(1,613,133)	(1,285,612)
Total Common Equity Tier I capital	28,880,924	27,901,490
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	99	99
Total Tier I capital	28,881,023	27,901,589
<u>Tier II capital</u>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	677,674	685,518
Reserve for loans classified as pass	751,174	903,089
Total Tier II capital	8,108,848	8,268,607
Total capital funds	36,989,871	36,170,196

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2018		31 December 2017	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	16.69	6.375	14.96	5.75
Tier I capital to risk assets	16.69	7.875	14.96	7.25
Total capital to risk assets	21.38	10.375	19.39	9.75

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

(Unit: Thousand Baht)

	As at	
	30 September 2018	31 December 2017
<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	15,959,967	15,036,972
Other components of equity	199,751	218,860
Less: Deductions from Common Equity Tier I items	(1,027,299)	(734,918)
Total Common Equity Tier I capital	27,875,119	27,263,614
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	27,875,120	27,263,615
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,680,000	6,680,000
Surplus of provision	661,918	668,708
Reserve for loans classified as pass	603,220	739,109
Total Tier II capital	7,945,138	8,087,817
Total capital funds	35,820,258	35,351,432

(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2018		31 December 2017	
	TISCO		TISCO	
	Bank	Requirement	Bank	Requirement
Common Equity Tier I capital to risk assets	17.58	6.375	15.98	5.75
Tier I capital to risk assets	17.58	7.875	15.98	7.25
Total capital to risk assets	22.59	10.375	20.72	9.75

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 the Financial Business Group as at 30 June 2018 on its website on 19 October 2018.

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 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	
	2018	2017	2018	2017
Interbank and money market items	192,876	181,992	515,307	440,475
Investments in debt securities	55,971	46,009	143,588	149,014
Loans to customers	1,991,931	1,525,918	6,096,958	4,446,386
Hire purchase and finance lease	2,167,594	2,226,665	6,554,778	6,797,831
Total interest income	4,408,372	3,980,584	13,310,631	11,833,706

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Interbank and money market items	1,425	3,373	4,721	6,770
Investments in debt securities	-	-	2,424	-
Loans to customers	16,346	8,820	48,756	26,502
Total interest income	17,771	12,193	55,901	33,272

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 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	
	2018	2017	2018	2017
Deposits	677,316	579,938	1,903,123	1,699,560
Interbank and money market items	6,981	5,869	21,140	22,545
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	281,053	252,746	834,539	742,859
Issued debt instruments				
- Subordinated debentures	80,670	89,487	239,380	268,636
- Unsubordinated debentures	224,680	252,491	710,138	728,635
Borrowings	27,594	27,856	66,402	74,709
Total interest expenses	<u>1,298,294</u>	<u>1,208,387</u>	<u>3,774,722</u>	<u>3,536,944</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Borrowings	27,329	27,627	65,685	65,393
Total interest expenses	<u>27,329</u>	<u>27,627</u>	<u>65,685</u>	<u>65,393</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 2018 and 2017 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	
	2018	2017	2018	2017
Fee and service income				
- Acceptance, aval and guarantees	567	1,764	4,784	6,416
- Insurance service	658,324	644,925	2,050,686	1,857,323
- Brokerage fees	194,873	202,535	665,667	596,052
- Fund management	360,841	327,554	955,126	836,632
- Financial advisory	10,078	12,541	30,721	21,773
- Underwriting fee	-	35,124	50,090	163,970
- Others	306,968	298,594	999,433	905,935
Total fee and service income	1,531,651	1,523,037	4,756,507	4,388,101
Fee and service expenses				
- Information service expenses	(3,826)	(6,337)	(11,362)	(19,091)
- Others	(54,151)	(48,723)	(171,041)	(150,358)
Total fee and service expenses	(57,977)	(55,060)	(182,403)	(169,449)
Net fee and service income	1,473,674	1,467,977	4,574,104	4,218,652

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Fee and service income	-	-	-	-
Fee and service expenses	(2,882)	(3,434)	(12,478)	(9,926)
Net fee and service income	(2,882)	(3,434)	(12,478)	(9,926)

3.16 Net gains (losses) on trading and foreign exchange transactions

Net gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 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	
	2018	2017	2018	2017
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	(18,979)	(15,754)	(7,526)	(66,679)
- Derivatives on interest rates	265	(6,742)	(1,866)	(12,925)
- Debt securities	2,796	4,671	11,217	9,625
- Others	(7)	-	(69)	-
Net gains (losses) on trading and foreign exchange transactions	<u>(15,925)</u>	<u>(17,825)</u>	<u>1,756</u>	<u>(69,979)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Losses on trading and foreign exchange transactions				
- Foreign currencies	(18,427)	(16,282)	(7,074)	(66,667)
Net losses on trading and foreign exchange transactions	<u>(18,427)</u>	<u>(16,282)</u>	<u>(7,074)</u>	<u>(66,667)</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 2018 and 2017 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	
	2018	2017	2018	2017
Gains on disposal				
- Available-for-sale investments	524	75	56,846	22,533
- General investments	227,823	2,183	436,125	9,351
Total	228,347	2,258	492,971	31,884
Reversal of allowance on impairment				
- General investments	273	3,335	1,024	3,811
Total	273	3,335	1,024	3,811
Net gains on investments	228,620	5,593	493,995	35,695

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Gains on disposal				
- Available-for-sale-investments	-	-	23	-
Net gains on investments	-	-	23	-

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 2018 and 2017 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	
	2018	2017	2018	2017
Interbank and money market items	(73)	(3,000)	-	-
Held-to-maturity debt securities (reversal)	(1)	(2)	(110)	229
Loans to customers	788,430	614,500	2,237,052	1,905,908
Total	788,356	611,498	2,236,942	1,906,137

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 2018 and 2017 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	
	2018	2017	2018	2017
Gains on disposal of properties foreclosed	18,479	20,437	58,926	64,184
Gains on sales of receivables (Note 5)	11,266	-	52,588	-
Others	13,418	6,768	38,244	36,522
Total	43,163	27,205	149,758	100,706

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Rental income	17,593	15,384	52,751	46,870
Others	1,817	697	3,189	9,545
Total	19,410	16,081	55,940	56,415

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 2018 and 2017 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	
	2018	2017	2018	2017
Mailing expenses	16,844	15,317	55,721	48,092
Software amortisation expenses	41,319	36,786	124,257	108,561
Legal expenses	84,113	77,287	439,323	222,835
Transportation expenses	28,484	25,897	79,868	71,565
Expenses related to the repossession and the disposal of repossessed assets	24,276	27,822	68,485	80,451
Advertising and business promotion expenses	36,892	28,796	100,514	76,058
Others	56,982	50,391	189,943	145,151
Total	288,910	262,296	1,058,111	752,713

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Mailing expenses	76	81	225	198
Software amortisation expenses	17,094	15,696	52,692	46,113
Transportation expenses	2,819	2,319	7,220	6,545
Advertising and business promotion expenses	213	146	591	896
Others	4,029	5,206	41,931	29,535
Total	24,231	23,448	102,659	83,287

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 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Current income tax:				
Income tax expenses for the periods	506,442	430,827	1,521,794	1,171,038
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(114,215)	(58,875)	(292,138)	(78,400)
Income tax expenses reported in the statement of comprehensive income	<u>392,227</u>	<u>371,952</u>	<u>1,229,656</u>	<u>1,092,638</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Current income tax:				
Income tax expenses for the periods	17,839	14,791	61,890	35,410
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	930	1,213	(2,186)	6,265
Income tax expenses reported in the statement of comprehensive income	<u>18,769</u>	<u>16,004</u>	<u>59,704</u>	<u>41,675</u>

3.22 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the periods	38,110	58,524	(69,960)	215,337
Less: Reclassification adjustments for gains included in profit or loss	(524)	(75)	(56,846)	(22,533)
	37,586	58,449	(126,806)	192,804
Actuarial gains (losses)	1,871	-	(18,575)	(131,192)
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	755	514	3,122	967
Other comprehensive income	40,212	58,963	(142,259)	62,579
Income tax effects relating to components of other comprehensive income	(8,288)	(11,690)	26,762	(13,521)
Net other comprehensive income for the periods	31,924	47,273	(115,497)	49,058

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the periods	(3,290)	47,842	(45,713)	126,031
Less: Reclassification adjustments for gains included in profit or loss	-	-	(23)	-
	(3,290)	47,842	(45,736)	126,031
Actuarial losses	-	-	(8,386)	(47,087)
Other comprehensive income	(3,290)	47,842	(54,122)	78,944
Income tax effects relating to components of other comprehensive income	658	(9,568)	10,824	(15,788)
Net other comprehensive income for the periods	(2,632)	38,274	(43,298)	63,156

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						
2018			2017			
	Tax			Tax		
	(expense)	Net of tax		(expense)	Net of tax	
Before tax amount	benefit	amount	Before tax amount	benefit	amount	
Gains on valuation in						
available-for-sale investments	37,586	(7,517)	30,069	58,449	(11,690)	46,759
Actuarial gains	1,871	(771)	1,100	-	-	-
	<u>39,457</u>	<u>(8,288)</u>	<u>31,169</u>	<u>58,449</u>	<u>(11,690)</u>	<u>46,759</u>

(Unit: Thousand Baht)

Consolidated financial statements						
For the nine-month periods ended 30 September						
2018			2017			
	Tax			Tax		
	(expense)	Net of tax		(expense)	Net of tax	
Before tax amount	benefit	amount	Before tax amount	benefit	amount	
Gains (losses) on valuation in						
available-for-sale investments	(126,806)	23,817	(102,989)	192,804	(39,590)	153,214
Actuarial losses	(18,575)	2,945	(15,630)	(131,192)	26,069	(105,123)
	<u>(145,381)</u>	<u>26,762</u>	<u>(118,619)</u>	<u>61,612</u>	<u>(13,521)</u>	<u>48,091</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 September						
2018			2017			
	Tax			Tax		
	(expense)	Net of tax		(expense)	Net of tax	
Before tax amount	benefit	amount	Before tax amount	benefit	amount	
Gains (losses) on valuation in						
available-for-sale investments	(3,290)	658	(2,632)	47,842	(9,568)	38,274
	<u>(3,290)</u>	<u>658</u>	<u>(2,632)</u>	<u>47,842</u>	<u>(9,568)</u>	<u>38,274</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2018			2017		
	Tax			Tax		
	Before tax	(expense)	Net of tax	Before tax	(expense)	Net of tax
	amount	benefit	amount	amount	benefit	amount
Gains (losses) on valuation in						
available-for-sale investments	(45,736)	9,147	(36,589)	126,031	(25,206)	100,825
Actuarial losses	(8,386)	1,677	(6,709)	(47,087)	9,418	(37,669)
	(54,122)	10,824	(43,298)	78,944	(15,788)	63,156

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		For the nine-month	
	periods ended 30 September	periods ended 30 September	periods ended 30 September	periods ended 30 September
	2018	2017	2018	2017
Profit for the period from continuing				
operations attributable to equity holders				
of the Company (Thousand Baht)	1,604,129	1,572,366	5,161,793	4,568,265
Basic earnings per share from continuing				
operations (Baht/share)	2.00	1.96	6.45	5.71
Profit for the period from discontinued				
operations attributable to equity holders				
of the Company (Thousand Baht)	210,727	-	128,306	-
Basic earnings per share from discontinued				
operations (Baht/share)	0.27	-	0.16	-
Weighted average number of shares				
(Thousand shares)	800,655	800,655	800,655	800,655

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2018	2017	2018	2017
Profit for the period attributable to equity holders of the Company (Thousand Baht)	75,386	62,956	286,987	209,338
Basic earnings per share (Baht/share)	0.09	0.08	0.36	0.26
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655

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
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Deutsche TISCO Investment Advisory Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

(Unaudited but reviewed)

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and its related companies are as follows:

(Unit: Thousand Baht)

	As at	
	30 September 2018	31 December 2017
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (Assets):		
TISCO Bank Public Company Limited	1,928,508	237,201
Dividend receivables:		
TISCO Bank Public Company Limited	-	2,764,357
TISCO Securities Co., Ltd.	-	200,000
TISCO Asset Management Co., Ltd.	-	797,995
Hi-Way Co., Ltd.	-	100,000
TISCO Information Technology Co., Ltd.	-	79,998
TISCO Insurance Solution Co., Ltd.	-	164,993
TISCO Learning Center Co., Ltd.	-	24,999
Other assets:		
TISCO Bank Public Company Limited	124,428	130,011
TISCO Learning Center Co., Ltd.	963	436
Other liabilities:		
TISCO Learning Center Co., Ltd.	571	161

Loans to related companies

As at 30 September 2018 and 1 January 2018, 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 2018	Increase	Decrease	30 September 2018
Subsidiary companies				
Loans to customers:				
All-Ways Co., Ltd.	1,820,000	-	(1,820,000)	-
Hi-Way Co., Ltd.	1,720,000	215,000	-	1,935,000

(Unaudited but reviewed)

During the period, the Company had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2018	2017	2018	2017	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Risk and financial management fee income, human resources management fee income and office administration fee income	539,007	547,414	1,625,180	1,564,435	Determined on market prices and/or actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	17,771	12,193	53,436	33,236	With reference to the terms and prices as offered to other customers
Rental income	17,593	15,384	52,751	46,870	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	49,750	43,750	149,250	131,250	Determined on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	3,553	3,902	7,822	6,073	With reference to the prices as offered from other service providers
Other expenses	240	823	1,788	1,817	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 2018	31 December 2017
Loans ⁽¹⁾	19,145	15,818

⁽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 2018	31 December 2017
Deposits	236,484	317,664

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had short-term benefit expenses paid to their directors and key 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		For the nine-month periods	
	ended 30 September		ended 30 September	
	2018	2017	2018	2017
Short-term benefits	155	157	309	305
Post-employment benefits	13	13	39	37
Total	168	170	348	342

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2018	2017	2018	2017
Short-term benefits	95	100	174	183
Post-employment benefits	7	7	19	21
Total	102	107	193	204

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 2018 and 2017, respectively.

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	(Unit: Million Baht) Consolidated financial statements
For the three-month period ended 30 September 2018							
Revenue							
External customers	4,392	204	403	(27)	4,972	-	4,972
Inter-segment	91	67	-	738	896	(896)	-
Total revenue	4,483	271	403	711	5,868	(896)	4,972
Operating results:							
Net interest income	3,119	4	2	(9)	3,116	(6)	3,110
Net fee and service income	987	263	398	180	1,828	(354)	1,474
Other operating income	377	4	3	540	924	(536)	388
Total operating income	4,483	271	403	711	5,868	(896)	4,972
Premises and equipment expenses and amortisation	(332)	(22)	(6)	(156)	(516)	171	(345)
Other operating expenses	(1,763)	(228)	(150)	(432)	(2,573)	737	(1,836)
Bad debt, doubtful accounts and impairment losses	(788)	-	-	-	(788)	-	(788)
Total operating expenses	(2,883)	(250)	(156)	(588)	(3,877)	908	(2,969)
Segment profit from continuing operations before income tax	1,600	21	247	123	1,991	12	2,003
Income tax expenses							(392)
Profit from continuing operations							1,611
Profit from discontinued operations							211
Non-controlling interests of the subsidiaries							(7)
Profit for the period - equity holders of the Company							1,815

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the nine-month period ended 30 September 2018							
Revenue							
External customers	13,212	786	1,152	112	15,262	-	15,262
Inter-segment	258	236	-	2,068	2,562	(2,562)	-
Total revenue	13,470	1,022	1,152	2,180	17,824	(2,562)	15,262
Operating results:							
Net interest income	9,548	11	6	(8)	9,557	(21)	9,536
Net fee and service income	3,023	930	1,142	514	5,609	(1,035)	4,574
Other operating income	899	81	4	1,674	2,658	(1,506)	1,152
Total operating income	13,470	1,022	1,152	2,180	17,824	(2,562)	15,262
Premises and equipment expenses and amortisation	(983)	(65)	(27)	(460)	(1,535)	513	(1,022)
Other operating expenses	(5,328)	(704)	(420)	(1,315)	(7,767)	2,183	(5,584)
Bad debt, doubtful accounts and impairment losses	(2,237)	-	-	-	(2,237)	-	(2,237)
Total operating expenses	(8,548)	(769)	(447)	(1,775)	(11,539)	2,696	(8,843)
Segment profit from continuing operations before income tax	4,922	253	705	405	6,285	134	6,419
Income tax expenses							(1,230)
Profit from continuing operations							5,189
Profit from discontinued operations							128
Non-controlling interests of the subsidiaries							(27)
Profit for the period - equity holders of the Company							5,290

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statements
For the three-month period ended 30 September 2017							
Revenue							
External customers	3,855	247	389	(13)	4,478	-	4,478
Inter-segment	50	63	-	717	830	(830)	-
Total revenue	3,905	310	389	704	5,308	(830)	4,478
Operating results:							
Net interest income	2,780	5	2	(15)	2,772	-	2,772
Net fee and service income	910	300	387	172	1,769	(301)	1,468
Other operating income	215	5	-	547	767	(529)	238
Total operating income	3,905	310	389	704	5,308	(830)	4,478
Premises and equipment expenses and amortisation	(302)	(19)	(7)	(143)	(471)	156	(315)
Other operating expenses	(1,510)	(232)	(136)	(431)	(2,309)	705	(1,604)
Bad debt, doubtful accounts and impairment losses	(611)	-	-	-	(611)	-	(611)
Total operating expenses	(2,423)	(251)	(143)	(574)	(3,391)	861	(2,530)
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							1,572

(Unaudited but reviewed)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	(Unit: Million Baht) Consolidated financial statements
For the nine-month period ended 30 September 2017							
Revenue							
External customers	11,321	802	1,017	(33)	13,107	-	13,107
Inter-segment	136	192	1	1,976	2,305	(2,305)	-
Total revenue	11,457	994	1,018	1,943	15,412	(2,305)	13,107
Operating results:							
Net interest income	8,308	14	5	(30)	8,297	-	8,297
Net fee and service income	2,633	953	1,008	419	5,013	(794)	4,219
Other operating income	516	27	5	1,554	2,102	(1,511)	591
Total operating income	11,457	994	1,018	1,943	15,412	(2,305)	13,107
Premises and equipment expenses and amortisation	(814)	(61)	(21)	(421)	(1,317)	413	(904)
Other operating expenses	(4,323)	(696)	(373)	(1,213)	(6,605)	1,984	(4,621)
Bad debt, doubtful accounts and impairment losses	(1,906)	-	-	-	(1,906)	-	(1,906)
Total operating expenses	(7,043)	(757)	(394)	(1,634)	(9,828)	2,397	(7,431)
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

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 2018 and 2017, the Company and its subsidiaries do 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 2018	31 December 2017
Other guarantees	521,071	627,912
Undrawn client overdraft facilities	529,048	575,279
Interest rate swap agreements	1,200,000	1,200,000
Foreign exchange contracts	405,040	-
Others	490,227	1,034,498
Total	<u>3,145,386</u>	<u>3,437,689</u>

3.27.2 Litigation

As at 30 September 2018 and 31 December 2017, the subsidiaries have been sued for compensation totaling approximately Baht 341 million and Baht 345 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believes 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 2018 and 31 December 2017, the subsidiary companies have future minimum lease payments required under the non-cancellable operating lease contracts as follows:

	(Unit: Million Baht)	
	As at	
	30 September 2018	31 December 2017
Payable within:		
Not over 1 year	174	213
Over 1 to 5 years	261	319
Over 5 years	61	70

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 2018 and 31 December 2017, the Company and its subsidiaries have the financial 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 2018				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Derivatives					
Foreign exchange contracts	3	-	3	-	3
Available-for-sale investments					
Equity securities	364	364	-	-	364
Debt securities	10,241	-	10,241	-	10,241
Unit trusts	882	817	65	-	882
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	13	-	13	-	13

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2017				
	Book	Fair Value			
Value	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	449	449	-	-	449
Debt securities	5,743	-	5,743	-	5,743
Unit trusts	935	870	65	-	935
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	30	-	30	-	30

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements				
	As at 30 September 2018				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	817	817	-	-	817

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2017				
	Book	Fair Value			Total
Value	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	870	870	-	-	870

Valuation techniques and inputs to Level 2 and Level 3 valuations

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

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

4. Dividend payment

	Approved by	Dividend per share		Amounts of	Dividend
		Preference	Ordinary	dividend paid	payment period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
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>	
Annual dividends for 2017	The 2018 Annual General Meeting of the Shareholders on 23 April 2018	5.00	5.00	4,003	May 2018
Total dividend payment in year 2018				<u>4,003</u>	

5. Significant events during the period

On 30 March 2018 TISCO Bank Public Company Limited and All-Ways Company Limited (a subsidiary) signed agreements for the sales of a personal loan portfolio and a credit card business to Citibank N.A. (Bangkok Branch), with TISCO Bank the seller of the personal loan portfolio and All-Ways the seller of the credit card business.

On 4 June 2018 TISCO Bank Public Company Limited successfully completed the sale of the personal loan portfolio to Citibank N.A. (Bangkok Branch), and All-Ways Company Limited successfully completed the sale of the credit card business to Citibank N.A. (Bangkok Branch) with the transfer effective on 23 September 2018.

To comply with the requirements of accounting standards, as at 30 September 2018 the Company presented the operating results of the transferred credit card business (the discontinued operations) under "Profit for the period from discontinued operations" in the consolidated statement of comprehensive income. Details are as follows:

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month

period ended

30 September 2018

Consolidated statement of comprehensive income

Profit or loss:

Interest income	66
Interest expenses	-
Net interest income	66
Fee and service income	92
Fee and service expenses	(7)
Net fee and service income	85
Net losses on trading and foreign exchange transactions	(2)
Gain on sale of credit card business	336
Total income	485
Operating expenses	(274)
Bad debt, doubtful accounts and impairment losses	(12)
Profit before income tax benefit	199
Tax benefit	12
Profit for the period from discontinued operations	211
Total comprehensive income from discontinued operations	211

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month

period ended

30 September 2018

Consolidated statement of comprehensive income

Profit or loss:

Interest income	214
Interest expenses	-
Net interest income	214
Fee and service income	128
Fee and service expenses	(23)
Net fee and service income	105
Net losses on trading and foreign exchange transactions	(8)
Gain on sale of credit card business	336
Total income	647
Operating expenses	(438)
Bad debt, doubtful accounts and impairment losses	(81)
Profit before income tax expenses	128
Income tax expenses	-
Profit for the period from discontinued operations	128
Total comprehensive income from discontinued operations	128

6. Reclassification

The Company and its subsidiaries have reclassified some items in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017 in order to correspond to the classification in the current period. However, there is no impact on net profit or equity.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended 30 September 2017		For the nine-month period ended 30 September 2017	
	As reclassified	As previously reported	As reclassified	As previously reported
Fee and service income	1,523,037	1,535,905	4,388,101	4,397,813
Income from business promotion relating to the business	-	235,793	-	455,046
Expenses from business promotion relating to the business	-	248,661	-	464,758

7. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 9 November 2018.