

TISCO Financial Group Public Company Limited  
and its subsidiary companies  
Report and interim financial statements  
For the three-month period ended 31 March 2015

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of TISCO Financial Group Public Company Limited

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

### **Scope of Review**

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

### **Conclusion**

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



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### Emphasis of matter

I draw attention to Note 1.3 and 1.4 to the financial statements regarding the change in accounting policies due to the adoption of Thai Financial Reporting Standard in year 2014. My opinion is not qualified in respect of this matter.

Ratana Jala  
Certified Public Accountant (Thailand) No. 3734

EY Office Limited  
Bangkok: 8 May 2015

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 March 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash		1,081,589	1,180,482	70	70
Interbank and money market items - net		30,056,952	38,057,993	956,746	529,181
Derivatives assets	3.2	5,357	-	-	-
Investments - net	3.3, 3.7	15,455,011	14,795,457	848,159	843,774
Investment in subsidiaries and joint venture - net	3.4	217,902	207,228	19,370,088	19,370,029
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		276,782,215	286,017,305	2,958,000	3,154,300
Accrued interest receivables		546,264	572,383	-	-
Total loans to customers and accrued interest receivables		277,328,479	286,589,688	2,958,000	3,154,300
Less: Deferred revenue		(22,345,154)	(23,233,476)	-	-
Less: Allowance for doubtful accounts	3.6	(7,096,028)	(6,950,423)	-	-
Loans to customers and accrued interest receivables - net		247,887,297	256,405,789	2,958,000	3,154,300
Properties foreclosed - net		95,262	120,905	-	-
Investment properties		17,267	17,267	778,245	778,245
Premises and equipment - net		2,492,660	2,483,759	693,745	663,751
Intangible assets - net		321,647	324,927	90,457	89,997
Deferred tax assets		336,532	296,074	106,059	110,157
Securities and derivatives business receivables - net		2,466,836	1,819,258	-	-
Dividend receivable from subsidiaries		-	-	-	1,693,238
Other assets	3.8	1,772,489	1,964,366	220,831	190,777
<b>Total assets</b>		<b>302,206,801</b>	<b>317,673,505</b>	<b>26,022,400</b>	<b>27,423,519</b>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 31 March 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Liabilities</b>					
Deposits	3.9	200,148,955	205,383,788	-	-
Interbank and money market items - net		11,305,462	10,897,493	-	-
Liabilities payable on demand		443,981	399,916	-	-
Derivatives liabilities	3.2	39,975	40,729	-	-
Debts issued and borrowings	3.10	52,927,119	65,406,219	6,014,300	7,669,400
Provision for long-term employee benefits	3.11	412,553	403,572	87,294	85,823
Deferred tax liabilities		19,369	30,155	-	-
Securities and derivatives business payables - net		1,819,126	1,250,067	-	-
Accrued interest payable		1,207,798	1,129,253	41,882	40,712
Income tax payable		848,856	566,574	29,382	30,373
Other liabilities	3.12	6,041,210	6,342,046	1,279,840	1,098,690
<b>Total liabilities</b>		<b>275,214,404</b>	<b>291,849,812</b>	<b>7,452,698</b>	<b>8,924,998</b>

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2015

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	31 March 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
<b>Shareholders' equity</b>				
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				
33,558 preference shares of Baht 10 each	336	336	336	336
800,621,925 ordinary shares of Baht 10 each	8,006,219	8,006,219	8,006,219	8,006,219
	8,006,555	8,006,555	8,006,555	8,006,555
Share premium				
Share premium on preference shares	-	-	295	295
Share premium on ordinary shares	1,018,408	1,018,408	7,031,228	7,031,228
	1,018,408	1,018,408	7,031,523	7,031,523
Other components of shareholders' equity	1,649,480	1,680,354	228,927	217,292
Retained earnings				
Appropriated-statutory reserve	596,300	596,300	596,300	596,300
Unappropriated	15,622,681	14,429,068	2,706,397	2,646,851
Equity attributable to owners of the Company	<u>26,893,424</u>	<u>25,730,685</u>	<u>18,569,702</u>	<u>18,498,521</u>
Non-controlling interests of the subsidiaries	98,973	93,008	-	-
<b>Total shareholders' equity</b>	<u>26,992,397</u>	<u>25,823,693</u>	<u>18,569,702</u>	<u>18,498,521</u>
<b>Total liabilities and shareholders' equity</b>	<u>302,206,801</u>	<u>317,673,505</u>	<u>26,022,400</u>	<u>27,423,519</u>

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



Mrs. Oranuch Apisaksirikul

(Group Chief Executive, TISCO Group)



TISCO

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



(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 31 March 2015**

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

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
			(Restated)		
Interest income	3.14	4,373,763	4,916,504	26,024	37,132
Interest expenses	3.15	(1,974,232)	(2,651,591)	(46,244)	(46,771)
<b>Net interest income</b>		<b>2,399,531</b>	<b>2,264,913</b>	<b>(20,220)</b>	<b>(9,639)</b>
Fee and service income		1,302,496	1,283,721	-	-
Fee and service expenses		(58,403)	(48,480)	(3,715)	(2,581)
<b>Net fee and service income</b>	3.16	<b>1,244,093</b>	<b>1,235,241</b>	<b>(3,715)</b>	<b>(2,581)</b>
Net gains (losses) on trading and foreign exchange transactions	3.17	(2,913)	7,551	(10,621)	(9,784)
Net gains on investments	3.18	106,111	5,341	59	-
Share of profit from investment accounted					
for under equity method	3.4.2	20,700	12,731	-	-
Dividend income		60,220	33,505	-	-
Penalty fee income from loans		119,156	88,290	-	-
Income from business promotion relating to					
the hire purchase business		50,749	87,251	-	-
Intercompany supporting fee income	3.26	-	-	492,724	380,217
Other operating income	3.20, 3.26	17,247	10,324	16,497	16,721
<b>Total operating income</b>		<b>4,014,894</b>	<b>3,745,147</b>	<b>474,724</b>	<b>374,934</b>
Expenses from business promotion relating to					
the hire purchase business		52,671	108,151	-	-
<b>Total net operating income</b>		<b>3,962,223</b>	<b>3,636,996</b>	<b>474,724</b>	<b>374,934</b>
<b>Operating expenses</b>					
Employee's expenses		990,268	809,210	295,280	165,161
Directors' remuneration		3,130	3,035	3,130	3,035
Premises and equipment expenses		231,416	213,921	86,690	83,586
Taxes and duties		55,553	54,293	2	2
Other operating expenses	3.21	220,201	206,497	15,057	25,206
<b>Total operating expenses</b>		<b>1,500,568</b>	<b>1,286,956</b>	<b>400,159</b>	<b>276,990</b>
Bad debt, doubtful accounts and impairment losses	3.19	971,551	1,175,759	-	-
<b>Profit from operating before income tax expenses</b>		<b>1,490,104</b>	<b>1,174,281</b>	<b>74,565</b>	<b>97,944</b>
Income tax expenses	3.22	291,671	230,690	15,389	20,212
<b>Profit for the period</b>		<b>1,198,433</b>	<b>943,591</b>	<b>59,176</b>	<b>77,732</b>

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

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of comprehensive income (continued)

For the three-month period ended 31 March 2015

		(Unit: Thousand Baht, except earnings per share expressed in Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2015	2014	2015	2014
			(Restated)		
	<b>Other comprehensive income</b>				
	<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>				
	Gains (losses) on valuation in available-for-sale investments	(22,970)	26,241	15,006	(17,074)
	Share of other comprehensive income of joint venture:				
	Cash flow hedges of joint venture	(12,533)	3,171	-	-
	Income tax effects	7,101	(5,882)	(3,001)	3,415
	Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(28,402)	23,530	12,005	(13,659)
	<b><i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i></b>				
	Actuarial loss	(1,658)	-	-	-
	Income tax effects	331	-	-	-
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(1,327)	-	-	-
	<b>Other comprehensive income for the period</b>	(29,729)	23,530	12,005	(13,659)
	<b>Total comprehensive income for the period</b>	1,168,704	967,121	71,181	64,073
	<b>Profit attributable to</b>				
	Equity holders of the Company	1,192,468	934,692	59,176	77,732
	Non-controlling interests of the subsidiaries	5,965	8,899		
		1,198,433	943,591		
	<b>Total comprehensive income attributable to</b>				
	Equity holders of the Company	1,162,739	958,222	71,181	64,073
	Non-controlling interests of the subsidiaries	5,965	8,899		
		1,168,704	967,121		
	<b>Earnings per share of equity holders of the Company</b>				
	Basic earnings per share	1.49	1.17	0.07	0.10

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



(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries****Cash flows statement****For the three-month period ended 31 March 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014
<b>Cash flows from operating activities</b>				
Profit before income tax	1,490,104	1,174,281	74,565	97,944
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	52,468	57,226	18,158	18,680
Bad debt and doubtful accounts	1,375,226	1,422,341	-	-
Share of profit from investment accounted for under equity method	(20,700)	(12,731)	-	-
Reversal of allowance for impairment of investments	(1,536)	(181)	(59)	-
Allowance for impairment of properties foreclosed	79	129	-	-
Gain on disposal of investments in securities	(107,620)	(5,138)	-	-
Unrealised loss on foreign exchange transactions and trading derivatives	45,297	32,056	10,621	9,784
Gain on disposal of equipment	(1,500)	(20)	-	-
Loss on written-off of equipment	331	-	-	-
Gain on disposal of properties foreclosed	(8,955)	(6,449)	-	-
Employee benefit expenses	13,129	10,852	2,269	1,912
Decrease (increase) in accrued income	6,563	(3,063)	(13,152)	(26,736)
Increase (decrease) in accrued expenses	48,366	(20,728)	214,677	144,762
Net interest income	(2,399,531)	(2,264,913)	20,220	9,639
Dividend income	(60,220)	(33,505)	-	-
Cash received on interest income	4,370,604	5,019,363	25,482	36,959
Cash paid on interest expenses	(1,604,089)	(2,177,145)	(45,074)	(57,537)
Cash received on dividend income	28,520	28,855	1,693,238	655,248
Cash paid on income tax expenses	(56,405)	(57,483)	(15,283)	(11,849)
Profit from operating activities before changes in operating assets and liabilities	3,170,131	3,163,747	1,985,662	878,806
Operating assets (increase) decrease				
Interbank and money market items	8,001,060	23,698,245	(427,565)	(1,491,202)
Loans to customers	6,310,650	5,084,861	196,300	271,500
Securities and derivative business receivables	(647,578)	487,693	-	-
Receivables from clearing house	193,181	(444,140)	-	-
Properties foreclosed	800,186	762,167	-	-
Other assets	4,304	-50,944	(11,637)	(8,022)
Operating liabilities increase (decrease)				
Deposits	(5,234,833)	(37,029,607)	-	-
Interbank and money market items	407,969	(297,955)	-	-
Liability payable on demand	44,065	53,013	-	-
Securities and derivative business payables	569,059	137,167	-	-
Short-term debts issued and borrowings	(12,479,100)	8,142,600	(1,655,100)	428,600
Payable to clearing house	(117,022)	(180,185)	-	-
Provision for long-term employee benefits	(5,948)	(5,487)	(797)	(952)
Other liabilities	(469,205)	(891,410)	(33,527)	(29,337)
<b>Net cash flows from operating activities</b>	<b>546,919</b>	<b>2,629,765</b>	<b>53,336</b>	<b>49,393</b>

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

(Unaudited but reviewed)

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Cash flows statement (continued)**

**For the three-month period ended 31 March 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(Restated)		
<b>Cash flows from investing activities</b>				
Cash paid for purchase of investment in securities held for investment	(7,421,237)	(9,455,124)	-	-
Cash received from disposal of investment in securities held for investment	6,837,206	4,611,862	-	-
Cash paid for purchase of equipment	(56,025)	(31,907)	(47,017)	(4,652)
Cash paid for purchase of intangible assets	(7,117)	(198,129)	(6,319)	(44,741)
Cash received from disposal of equipment	1,500	20	-	-
<b>Net cash flows used in investing activities</b>	<b>(645,673)</b>	<b>(5,073,278)</b>	<b>(53,336)</b>	<b>(49,393)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(139)	(89)	-	-
Cash received from issuance of long-term debentures	-	2,400,000	-	-
<b>Net cash flows from (used in) financing activities</b>	<b>(139)</b>	<b>2,399,911</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash</b>	<b>(98,893)</b>	<b>(43,602)</b>	<b>-</b>	<b>-</b>
Cash at beginning of the period	1,180,482	1,130,971	70	70
<b>Cash at end of the period</b>	<b>1,081,589</b>	<b>1,087,369</b>	<b>70</b>	<b>70</b>
	-	-	-	-

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of shareholders' equity											Equity		
Issued and paid-up		Share premium on ordinary shares	Surplus (deficit) on changes in value of available-for-sale investments	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control under holding restructuring plan	Total other components of shareholders' 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				
<b>Balance as at 1 January 2014</b>	339	8,006,216	1,018,408	(42,028)	940,899	(7,947)	679,266	1,570,190	496,200	11,895,567	22,986,920	67,435	23,054,355
Profit for the period - as restated	-	-	-	-	-	-	-	-	-	934,692	934,692	8,899	943,591
Other comprehensive income for the period													
- as restated	-	-	-	20,992	-	2,538	-	23,530	-	-	23,530	-	23,530
Total comprehensive income for the period													
- as restated	-	-	-	20,992	-	2,538	-	23,530	-	934,692	958,222	8,899	967,121
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(2,499)	-	-	(2,499)	-	2,499	-	-	-
Decrease in non-controlling interests of													
the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(497)	(497)
<b>Balance as at 31 March 2014</b>	<b>339</b>	<b>8,006,216</b>	<b>1,018,408</b>	<b>(21,036)</b>	<b>938,400</b>	<b>(5,409)</b>	<b>679,266</b>	<b>1,591,221</b>	<b>496,200</b>	<b>12,832,758</b>	<b>23,945,142</b>	<b>75,837</b>	<b>24,020,979</b>
<b>Balance as at 1 January 2015</b>	336	8,006,219	1,018,408	101,480	909,249	(9,641)	679,266	1,680,354	596,300	14,429,068	25,730,685	93,008	25,823,693
Profit for the period	-	-	-	-	-	-	-	-	-	1,192,468	1,192,468	5,965	1,198,433
Other comprehensive income for the period													
Total comprehensive income for the period	-	-	-	(18,376)	-	(10,026)	-	(28,402)	-	(1,327)	(29,729)	-	(29,729)
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(2,472)	-	-	(2,472)	-	2,472	-	-	-
<b>Balance as at 31 March 2015</b>	<b>336</b>	<b>8,006,219</b>	<b>1,018,408</b>	<b>83,104</b>	<b>906,777</b>	<b>(19,667)</b>	<b>679,266</b>	<b>1,649,480</b>	<b>596,300</b>	<b>15,622,681</b>	<b>26,893,424</b>	<b>98,973</b>	<b>26,992,397</b>

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

(Unaudited but reviewed)

## TISCO Financial Group Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2015

(Unit: Thousand Baht)

	Separate financial statements									
					Other components of shareholders' equity					
	Issued and paid-up		Share premium		Surplus (deficit) on change in value of available-for-sale investments	Surplus on revaluation of assets	Total other components of shareholder's equity	Retained earnings		Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares				Appropriated	Unappropriated	
<b>Balance as at 1 January 2014</b>	339	8,006,216	298	7,031,225	(72,892)	230,996	158,104	496,200	2,350,582	18,042,964
Profit for the period	-	-	-	-	-	-	-	-	77,732	77,732
Other comprehensive income for the period	-	-	-	-	(13,659)	-	(13,659)	-	-	(13,659)
Total comprehensive income for the period	-	-	-	-	(13,659)	-	(13,659)	-	77,732	64,073
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(375)	(375)	-	375	-
<b>Balance as at 31 March 2014</b>	<b>339</b>	<b>8,006,216</b>	<b>298</b>	<b>7,031,225</b>	<b>(86,551)</b>	<b>230,621</b>	<b>144,070</b>	<b>496,200</b>	<b>2,428,689</b>	<b>18,107,037</b>
<b>Balance as at 1 January 2015</b>	336	8,006,219	295	7,031,228	(12,198)	229,490	217,292	596,300	2,646,851	18,498,521
Profit for the period	-	-	-	-	-	-	-	-	59,176	59,176
Other comprehensive income for the period	-	-	-	-	12,005	-	12,005	-	-	12,005
Total comprehensive income for the period	-	-	-	-	12,005	-	12,005	-	59,176	71,181
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(370)	(370)	-	370	-
<b>Balance as at 31 March 2015</b>	<b>336</b>	<b>8,006,219</b>	<b>295</b>	<b>7,031,228</b>	<b>(193)</b>	<b>229,120</b>	<b>228,927</b>	<b>596,300</b>	<b>2,706,397</b>	<b>18,569,702</b>

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

**TISCO Financial Group Public Company Limited and its subsidiaries**

**Notes to interim financial statements**

**For the three-month period ended 31 March 2015**

**1. Basis of preparation and presentation of financial statements and significant accounting policies**

**1.1 Basis of preparation of interim financial statements**

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in accordance with the Bank of Thailand ("BOT")'s Notification No. Sor Nor Sor. 11/2553 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 3 December 2010.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

**1.2 Basis of consolidation**

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2014. During the period, there was no change in the composition of the subsidiaries.

### 1.3 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, and the management of the Company and its subsidiaries has elected to early adopt financial reporting standards relating to investments since year 2014 as follows;

#### **TFRS 10 Consolidated Financial Statements**

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

TFRS 10 requires companies to reassess their investments in order to reach a conclusion as to whether they have control over those investments. The Company consequently changed its conclusion as a result of the reassessment of its investment in TISCO Tokyo Leasing Company Limited as of the date that TFRS 10 was initially adopted from presenting it as an investment in a subsidiary to presenting it as a joint venture company because it does not meet the definition of control specified in TFRS 10. As a result, TISCO Tokyo Leasing Company Limited has been a joint venture company since December 2008, which is when the Company acquired the investment. The reason for this assessment is that the Company does not have absolute control over the joint venture company. In addition, the remaining 49% voting rights are held by another major shareholder and the Company has entered into a shareholders' agreement with the major shareholder to make collective decisions concerning the business operations. Therefore, considering the requirements of TFRS 10, the Company has deconsolidated TISCO Tokyo Leasing Company Limited from its consolidated financial statements and restated the consolidated statement of comprehensive income for the three-month period ended 31 March 2014, presented as comparative information. The amounts of the adjustments affecting the financial statements are presented in notes to the financial statements no.1.4.

### **TFRS 11 Joint Arrangements**

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

### **TFRS 12 Disclosure of Interests in Other Entities**

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

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

### **TAS 19 (revised 2014) Employee Benefits**

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

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

**TFRS 13 Fair Value Measurement**

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

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

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

At the end of the year 2014, the Company and its subsidiaries made the changes, described in Note 1.3 to the financial statements, to its significant accounting policies, as a result of the early adoption of TFRS 10.

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

	(Unit: Thousand Baht) For the three-month period ended 31 March 2014
<b>Statements of comprehensive income</b>	
Profit or loss:	
Increase in share of profit from investments accounted for under equity method	12,731
Decrease in net operating income	38,243
Decrease in other operating expenses	18,496
Other comprehensive income:	
Decrease in share of other comprehensive income of joint venture	2,641
Profit attributable to	
Decrease in non-controlling interests	13,251
Total comprehensive income attributable to	
Decrease in non-controlling interests	15,892

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

**1.5 Significant accounting policies**

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



## 2. General information

### 2.1 The Company's information

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

### 2.2 Related party transactions

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

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

## 3. Supplemental information

### 3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 March 2015 and 31 December 2014 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			31 March 2015	31 December 2014
<b><u>Subsidiaries directly held by the Company</u></b>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.97	99.97
<b><u>Subsidiaries indirectly held by the Company</u></b>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00

### 3.2 Derivatives

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

(Unit: Thousand Baht)

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

All counterparties of these derivative transactions are financial institutions.

### 3.3 Investments

#### 3.3.1 Classified by type of investment

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2015	31 December 2014
<b>Available-for-sale investments - fair value</b>		
Government and state enterprise securities	12,872,666	12,060,173
Private sector debt securities	814,335	811,472
Domestic marketable equity securities	445,810	604,417
Other securities - domestic unit trusts	28,276	28,141
Other securities - foreign unit trusts	848,159	843,774
Less: Allowance for impairment	(1,460)	(1,460)
<b>Total available-for-sale investments</b>	<b>15,007,786</b>	<b>14,346,517</b>
<b>Held-to-maturity debt securities - cost/amortised cost</b>		
Investment in receivables	14,565	17,816
Less: Allowance for impairment	(14,349)	(17,394)
<b>Total held-to-maturity debt securities</b>	<b>216</b>	<b>422</b>
<b>General investments - cost</b>		
Domestic non-marketable equity securities	493,479	493,479
Less: Allowance for impairment	(46,470)	(44,961)
<b>Total general investments</b>	<b>447,009</b>	<b>448,518</b>
<b>Investments - net</b>	<b>15,455,011</b>	<b>14,795,457</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2015	31 December 2014
<b>Available-for-sale investments - fair value</b>		
Other securities - foreign unit trusts	848,159	843,774

In August 2014, TISCO Bank reclassified part of its investment portfolio, transferring certain long-term held-to-maturity debt securities to short-term available-for-sale securities at the fair value at the transfer date, to bring them in line with TISCO Bank's liquidity management strategy. The amortised cost of the transferred debt securities at the transfer date was approximately Baht 3,001 million. TISCO Bank recorded the difference between this amortised cost and the fair value, amounting to Baht 73 million, as unrealised gain on transfer of investment portfolio and presented it under shareholders' equity in the statement of financial position. TISCO Bank disposed of Baht 2,960 million of these investments, with a realised gain for the year 2014 by Baht 72 million. The balance of unrealised gain as at 31 March 2015 was Baht 1 million.

### 3.3.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	31 March 2015				31 December 2014			
	Due within				Due within			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>								
Government and state enterprise securities	11,896	976	-	12,872	11,087	973	-	12,060
Private sector debt securities	1	813	-	814	1	810	-	811
<b>Total</b>	<b>11,897</b>	<b>1,789</b>	<b>-</b>	<b>13,686</b>	<b>11,088</b>	<b>1,783</b>	<b>-</b>	<b>12,871</b>
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
<b>Total</b>	<b>11,896</b>	<b>1,789</b>	<b>-</b>	<b>13,685</b>	<b>11,087</b>	<b>1,783</b>	<b>-</b>	<b>12,870</b>
<b>Held-to-maturity debt securities</b>								
Investment in receivables	15	-	-	15	13	5	-	18
Less: Allowance for impairment	(14)	-	-	(14)	(12)	(5)	-	(17)
<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Total debt securities</b>	<b>11,897</b>	<b>1,789</b>	<b>-</b>	<b>13,686</b>	<b>11,088</b>	<b>1,783</b>	<b>-</b>	<b>12,871</b>

## 3.3.3 Investments subject to restriction

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 March 2015		
	Cost	Fair value	Allowance for changes in value <sup>(1)</sup>
Companies having problems with debt repayment or in default	7,060	-	7,060

<sup>(1)</sup> Allowance for changes in value of investment is calculated at cost less collateral value.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2014		
	Cost	Fair value	Allowance for changes in value <sup>(1)</sup>
Companies having problems with debt repayment or in default	7,060	-	7,060

<sup>(1)</sup> Allowance for changes in value of investment is calculated at cost less collateral value.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	31 March 2015			31 December 2014		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
<b>Services:</b>						
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
<b>Trading import and export:</b>						
Shin Thai Enterprises Co., Ltd.	5,707	-	10	5,707	-	10
PDTL Trading Co., Ltd.	4,372	-	10	5,894	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
<b>Real estate:</b>						
UMI Property Co., Ltd.	4,110	-	10	4,110	-	10
<b>Industrial:</b>						
Siam Art Ceramic Co., Ltd.	17,358	-	10	17,358	-	10

### 3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Investment in subsidiaries	-	-	19,296,843	19,296,784
Investment in joint venture	217,902	207,228	73,245	73,245
	217,902	207,228	19,370,088	19,370,029

## 3.4.1 Investment in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of investment as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the three-month periods ended	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 March 2014
				(%)	(%)				
<b>Subsidiaries directly held by the Company</b>									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	17,641	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase and retail loan	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	5	5	-	-
All-Ways Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.97	99.97	1	1	-	-
						19,406	19,406	-	-
						(109)	(109)		
Less: Allowance for impairment						19,297	19,297		
Investment in subsidiaries - net									

## 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	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	217,902	207,228

(Unit: Thousand Baht)

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

b. Share of profit/loss and dividend received

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

Jointly controlled entity	Consolidated financial statements		Separate financial statements	
	Share of profit/loss from investment in joint venture for the three-month periods ended 31 March		Dividend received for the three-month periods ended 31 March	
	2015	2014	2015	2014
TISCO Tokyo Leasing Co., Ltd.	20,700	12,731	-	-

### 3.5 Loans to customers and accrued interest receivables

#### 3.5.1 Classified by loans to customers type

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	31 March 2015	31 December 2014
<b>Loans to customers</b>		
Loans	74,669,848	76,978,228
Hire purchase receivables	201,358,482	208,226,729
Finance lease receivables	1,022,649	1,077,970
Less: Deferred revenue	(22,345,154)	(23,233,476)
Advances received from finance lease receivables	(268,764)	(265,622)
Total loans to customers	254,437,061	262,783,829
Add: Accrued interest receivables	546,264	572,383
Less: Allowance for doubtful accounts	(7,096,028)	(6,950,423)
Loans to customers and accrued interest receivables - net	<u>247,887,297</u>	<u>256,405,789</u>

(Unit: Thousand Baht)

	Separate financial statements as at	
	31 March 2015	31 December 2014
<b>Loans to customers</b>		
Loans	2,958,000	3,154,300
Loans to customers and accrued interest receivables - net	<u>2,958,000</u>	<u>3,154,300</u>

#### 3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	31 March 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	251,181,551	-	251,181,551	259,487,529	-	259,487,529
US Dollars	-	3,255,510	3,255,510	-	3,296,300	3,296,300
Total loans to customers net of deferred revenue	<u>251,181,551</u>	<u>3,255,510</u>	<u>254,437,061</u>	<u>259,487,529</u>	<u>3,296,300</u>	<u>262,783,829</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	31 March 2015			31 December 2014		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,958,000	-	2,958,000	3,154,300	-	3,154,300
Total loans to customers net of deferred revenue	<u>2,958,000</u>	<u>-</u>	<u>2,958,000</u>	<u>3,154,300</u>	<u>-</u>	<u>3,154,300</u>



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

(Unit: Million Baht)

	As at					
	31 March 2015			31 December 2014		
	Net amount			Net amount		
Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts <sup>(1) (2)</sup>	Loans to customers and accrued interest receivables	used for setting the allowance for doubtful accounts	Allowance for doubtful accounts <sup>(1) (2)</sup>	
Provision under BOT's guidelines						
- Pass	223,234	203,760	1,802	230,555	207,633	1,822
- Special mention	21,194	16,876	2,450	22,112	17,843	2,494
- Sub-standard	3,135	3,111	1,065	3,267	3,242	1,073
- Doubtful	1,983	1,956	605	2,057	2,033	623
- Doubtful of loss	815	762	230	578	524	177
Allowance established in excess	-	-	362	-	-	191
Total	250,361	226,465	6,514	258,569	231,275	6,380

<sup>(1)</sup> Allowance for doubtful accounts for loans to customers is determined based on debt balance less collateral value in accordance with the BOT's guidelines (except for hire purchase and financial lease receivables, for which TISCO Bank does not deduct the collateral value from the outstanding loan balance).

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

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

<sup>(1)</sup> These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

<sup>(2)</sup> 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 31 March 2015, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 179,995 million (31 December 2014: Baht 186,036 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statement as at 31 March 2015					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	65,649	124,040	4,596	8,096	202,381
Less: Deferred revenue <sup>(1)</sup>	(8,975)	(10,937)	(25)	(2,180)	(22,117)
Advances received from finance lease receivables	(104)	(164)	-	(1)	(269)
Present value of minimum lease pay from agreements	56,570	112,939	4,571	5,915	179,995
Allowance for doubtful accounts <sup>(2)</sup>					(3,274)
Net hire purchase and finance lease receivables					176,721

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

<sup>(2)</sup> These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2014					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	66,902	129,550	4,746	8,107	209,305
Less: Deferred revenue <sup>(1)</sup>	(9,289)	(11,508)	(38)	(2,168)	(23,003)
Advances received from finance lease receivables	(119)	(146)	-	(1)	(266)
Present value of minimum lease pay from agreements	57,494	117,896	4,708	5,938	186,036
Allowance for doubtful accounts <sup>(2)</sup>					(3,285)
Net hire purchase and finance lease receivables					182,751

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

<sup>(2)</sup> These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

(Unaudited but reviewed)

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

(Unit: Million Baht)

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

<sup>(1)</sup> These amounts are calculated on an account by account basis.

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

(Unit: Million Baht)

Other subsidiaries	As at	
	31 March 2015	31 December 2014
Hire purchase receivables, finance lease receivables and other loans and receivables for which the recognition of interest income has been ceased	907	934

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

(Unit: Million Baht)

Deferred revenue <sup>(1)</sup>	Consolidated financial statements as at	
	31 March 2015	31 December 2014
	22,345	23,233

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

## 3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

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

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

	(Unit: Million Baht) For the three-month periods ended 31 March	
	2015	2014
Interest income on restructured receivables	26	6
Receipt of principal and interest	83	58

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

	(Unit: Million Baht) As at			
	31 March 2015		31 December 2014	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	4,405	1,626	2,767	1,152

### 3.6 Allowance for doubtful accounts

#### 3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statement as at 31 March 2015							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	1,953,919	2,599,444	1,208,484	734,070	263,755	190,751	6,950,423
Increase (decrease) in allowance for doubtful accounts during the period	(9,566)	(37,060)	196,585	810,705	242,851	171,711	1,375,226
Bad debt written-off	(300)	(6,261)	(211,956)	(835,525)	(175,579)	-	(1,229,621)
Balance - end of period	<u>1,944,053</u>	<u>2,556,123</u>	<u>1,193,113</u>	<u>709,250</u>	<u>331,027</u>	<u>362,462</u>	<u>7,096,028</u>

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Consolidated financial statement as at 31 March 2015				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	3,492,971	3,266,701	190,751	6,950,423
Increase in allowance for doubtful accounts during the period	166,263	1,037,252	171,711	1,375,226
Bad debt written-off	(190,982)	(1,038,639)	-	(1,229,621)
Balance - end of period	<u>3,468,252</u>	<u>3,265,314</u>	<u>362,462</u>	<u>7,096,028</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statement as at 31 December 2014

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

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

(Unit: Million Baht)

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

3.7 Classification of assets

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

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts <sup>(1)</sup> as at	
	31 March	31 December	31 March	31 December	31 March	31 December
	2015	2014	2015	2014	2015	2014
Debt instruments - debentures <sup>(2)</sup>	1	1	-	-	1	1
Equity instruments - ordinary shares <sup>(3)</sup>	6	6	-	-	6	6

<sup>(1)</sup> Allowance for possible loss is determined based on the investment cost less collateral value.

<sup>(2)</sup> Investments in subordinated debentures issued by financial institutions which the Bank of Thailand ordered closed on 8 December 1997.

<sup>(3)</sup> Investments in securities of companies which are vulnerable to delisting, of companies whose auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

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

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

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

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

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

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

<sup>(1)</sup> 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.

<sup>(2)</sup> These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

<sup>(3)</sup> These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for an individual debtor.

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		Debt balance - net	
	as at		as at		as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Pass	3,040	3,118	142	132	2,898	2,986
Special mention	729	776	106	105	623	671
Sub-standard	281	318	128	136	153	182
Doubtful	244	276	105	110	139	166
Doubtful of loss	285	254	101	87	184	167
<b>Total</b>	<b>4,579</b>	<b>4,742</b>	<b>582</b>	<b>570</b>	<b>3,997</b>	<b>4,172</b>

### 3.8 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Receivable from clearing house	98,862	292,043	-	-
Value added tax - net	404,739	366,442	6,907	1,043
Accrued interest receivables	47,857	61,426	-	-
Fee and service receivables	227,010	233,573	110,840	97,688
Refundable income tax and prepaid				
income tax	25,096	24,368	-	-
Deposits	83,413	82,097	34,080	34,080
Other receivables	426,316	496,197	-	-
Dividend receivables	31,700	-	-	-
Other assets	427,496	408,220	69,004	57,966
<b>Total other assets</b>	<b>1,772,489</b>	<b>1,964,366</b>	<b>220,831</b>	<b>190,777</b>



### 3.9 Deposits

#### 3.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2015	31 December 2014
Deposits		
Current accounts	3,382,063	2,917,435
Saving accounts	51,808,581	49,606,051
Fixed accounts		
- not over 6 months	20,433,528	22,613,265
- over 6 months but not over 1 year	3,130,770	1,034,917
- over 1 year	309,346	313,129
Certificates of deposit/negotiable certificates of deposit	121,084,667	128,898,991
Total	<u>200,148,955</u>	<u>205,383,788</u>

#### 3.9.2 Classified by remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2015	31 December 2014
Not over 1 year <sup>(1)</sup>	199,459,488	204,878,240
Over 1 year	689,467	505,548
Total deposits	<u>200,148,955</u>	<u>205,383,788</u>

<sup>(1)</sup> Including fully-mature deposit contracts

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

### 3.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March	31 December	31 March	31 December
	2015	2014	2015	2014
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,643,000	6,643,000	-	-
Unsubordinated unsecured debentures	40,232,900	51,056,900	-	-
Bills of exchange	6,050,422	7,705,522	6,014,300	7,669,400
Promissory notes	797	797	-	-
Total	<u>52,927,119</u>	<u>65,406,219</u>	<u>6,014,300</u>	<u>7,669,400</u>

#### 3.10.1 Subordinated unsecured debentures

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

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

#### 3.10.2 Unsubordinated unsecured debentures

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

Year	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
	31 March	31 December		31 March	31 December		
	2015	2014		2015	2014		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2014	40.233	51.057	1,000	40,233	51,057	2015	1.95 - 2.65 percent per annum
Total				<u>40,233</u>	<u>51,057</u>		

### 3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing and the floating interest rate bearing ones, which will gradually mature in 2015. The interest rates of the fixed interest rate bearing bills of exchange are between 2.50 and 3.04 percent per annum.

### 3.11 Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated financial statements as at		Separate financial statements as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Defined post-employment benefit obligation at beginning of period/year	309,713	249,619	72,443	60,289
Current service cost	6,142	23,783	1,086	4,242
Interest cost	2,928	11,637	678	2,707
Benefits paid during the period/year	-	(4,042)	-	(508)
Actuarial losses	1,800	28,716	-	5,713
Defined post-employment benefit obligation at end of period/year	320,583	309,713	74,207	72,443
Other long-term benefits	91,970	93,859	13,087	13,380
Total provision for long-term employee benefits at end of period/year	412,553	403,572	87,294	85,823

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2015	2014	2015	2014
	(Restated)			
Current service cost	9,505	7,690	1,493	1,218
Interest cost	3,624	3,162	776	694
Total employee benefit expenses	13,129	10,852	2,269	1,912

Principal actuarial assumptions at the valuation date were as follows:

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

### 3.12 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Payable to clearing house	736,235	853,257	-	-
Withholding income tax and other tax payable	363,886	469,830	23,662	57,189
Accrued insurance premium	523,061	668,113	-	-
Deferred income	1,190,820	1,176,646	-	-
Accrued expenses	2,652,288	2,603,923	1,256,110	1,041,433
Suspense creditors	296,797	345,707	-	-
Other liabilities	278,123	224,570	68	68
<b>Total other liabilities</b>	<b>6,041,210</b>	<b>6,342,046</b>	<b>1,279,840</b>	<b>1,098,690</b>

The above accrued expenses included accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses included costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 March 2015 and 31 December 2014, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 580 million and Baht 561 million, respectively (the Company only: Baht 317 million and Baht 306 million, respectively).

### 3.13 Capital funds

3.13.1 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.

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

Regarding Capital fund as at 31 March 2015 and 31 December 2014, TISCO Bank has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

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

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

(Unaudited but reviewed)

(Unit: Percent)

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

3.13.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 5/2556 regarding “Public Disclosure of Capital Maintenance for Financial Business Group” the Company has disclosed capital maintenance information of financial business group as at 31 December 2014 on its website on 30 April 2015.

### 3.14 Interest income

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Interbank and money market items	140,403	236,275
Investments in debt securities	77,890	105,923
Loans to customers	1,455,763	1,517,019
Hire purchase and finance lease	2,699,707	3,057,287
Total interest income	4,373,763	4,916,504

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Interbank and money market items	3,540	4,691
Loans to customers	22,484	32,441
Total interest income	26,024	37,132

**3.15 Interest expenses**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Deposits	1,222,871	1,808,271
Interbank and money market items	65,817	79,243
Contribution fee to the Deposit Protection Agency and Bank of Thailand	291,598	342,053
Issued debt instruments		
- Subordinated debentures	85,729	128,633
- Unsubordinated debentures	261,944	245,308
Borrowings	46,273	48,083
Total interest expenses	<u>1,974,232</u>	<u>2,651,591</u>

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Borrowings	46,244	46,771
Total interest expenses	<u>46,244</u>	<u>46,771</u>

**3.16 Net fee and service income**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Fee and service income		
- Acceptance, aval and guarantees	2,131	4,721
- Insurance service	526,777	682,431
- Brokerage fees	250,150	166,147
- Fund management	209,102	185,515
- Financial advisory fees	2,650	5,851
- Others	311,686	239,056
Total fee and service income	1,302,496	1,283,721
Fee and service expenses		
- Information service expenses	(6,095)	(6,573)
- Others	(52,308)	(41,907)
Total fee and service expenses	(58,403)	(48,480)
Net fee and service income	1,244,093	1,235,241

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Fee and service income	-	-
Fee and service expenses	(3,715)	(2,581)
Net fee and service income	(3,715)	(2,581)



**3.17 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 periods ended 31 March 2015 and 2014 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Gains (losses) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	5,167	2,062
- Derivatives on interest rates	(8,975)	3,590
- Debt securities	895	1,899
<b>Total</b>	<b>(2,913)</b>	<b>7,551</b>

	(Unit: Thousand Baht)	
	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Losses on trading and foreign exchange transactions		
- Foreign currencies	(10,621)	(9,784)
<b>Total</b>	<b>(10,621)</b>	<b>(9,784)</b>

**3.18 Net gains on investments**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Gains (losses) on disposal		
- Available-for-sale investments	105,226	(800)
- Held-to-maturity debt securities	42	14
- General investments	2,352	5,924
Total	107,620	5,138
Reversal of losses (losses) on impairment		
- General investments	(1,509)	203
Total	(1,509)	203
Net gains on investments	106,111	5,341

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Reversal of losses on impairment		
- Investment in subsidiaries	59	-
Net gains on investments	59	-

**3.19 Bad debt, doubtful accounts and impairment losses**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Interbank and money market items	-	5,000
Held-to-maturity debt securities	(3,045)	22
Loans to customers	974,596	1,170,737
Total	971,551	1,175,759

**3.20 Other operating income**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Gains on disposal of properties foreclosed	8,955	6,448
Others	8,292	3,876
Total	17,247	10,324

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Rental income	16,180	16,290
Others	317	431
Total	16,497	16,721

**3.21 Other operating expenses**

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month periods ended 31 March	
	2015	2014
		(Restated)
Mailing expenses	18,881	17,110
Software amortisation expenses	12,123	14,295
Legal expenses	82,896	60,485
Transportation expenses	22,736	26,074
Advertising and business promotion expenses	9,675	33,403
Others	73,890	55,130
<b>Total</b>	<b>220,201</b>	<b>206,497</b>

(Unit: Thousand Baht)

	Separate financial statements	
	For the three-month periods ended 31 March	
	2015	2014
Mailing expenses	96	326
Software amortisation expenses	7,584	6,629
Transportation expenses	2,183	1,979
Advertising and business promotion expenses	254	7,879
Others	4,940	8,393
<b>Total</b>	<b>15,057</b>	<b>25,206</b>

### 3.22 Income tax expenses

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2015	2014	2015	2014
		(Restated)		
<b>Current income tax:</b>				
Income tax expenses for the periods	337,960	302,098	14,292	19,698
<b>Deferred tax:</b>				
Deferred tax on temporary differences and reversion of temporary differences	(46,289)	(71,408)	1,097	514
<b>Income tax expenses reported in statements of comprehensive income</b>	<u>291,671</u>	<u>230,690</u>	<u>15,389</u>	<u>20,212</u>

### 3.23 Components of other comprehensive income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2015	2014	2015	2014
		(Restated)		
<b>Other comprehensive income</b>				
Available-for-sale investments:				
Gains (losses) during the periods	82,256	25,441	15,006	(17,074)
Add (less): Reclassification adjustments for (gains) losses included in profit or loss	(105,226)	800	-	-
	(22,970)	26,241	15,006	(17,074)
Actuarial losses	(1,658)	-	-	-
Share of other comprehensive income of joint ventures:				
Cash flow hedges of joint ventures	(12,533)	3,171	-	-
Other comprehensive income	(37,161)	29,412	15,006	(17,074)
Income tax effects relating to components of other comprehensive income	7,432	(5,882)	(3,001)	3,415
Net other comprehensive income for the periods	<u>(29,729)</u>	<u>23,530</u>	<u>12,005</u>	<u>(13,659)</u>

**3.24 Income tax effects relating to components of other comprehensive income**

(Unit: Thousand Baht)

Consolidated financial statements						
For the three-month periods ended 31 March						
2015			2014 (Restated)			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Gains (losses) on valuation in available-for-sale investments	(22,970)	4,594	(18,376)	26,241	(5,248)	20,993
Actuarial losses	(1,658)	331	(1,327)	-	-	-
Share of other comprehensive income of joint ventures:						
Cash flow hedges of joint ventures	(12,533)	2,507	(10,026)	3,171	(634)	2,537
	<u>(37,161)</u>	<u>7,432</u>	<u>(29,729)</u>	<u>29,412</u>	<u>(5,882)</u>	<u>23,530</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 31 March						
2015			2014			
Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount	
Gains (losses) on valuation in available-for-sale investments	15,006	(3,001)	12,005	(17,074)	3,415	(13,659)
	<u>15,006</u>	<u>(3,001)</u>	<u>12,005</u>	<u>(17,074)</u>	<u>3,415</u>	<u>(13,659)</u>

**3.25 Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares and preference shares in issue during the period. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	1,192,468	934,692	59,176	77,732
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	1.49	1.17	0.07	0.10

**3.26 Related party transactions**

	(Unit: Thousand Baht)			
	As at 1 January 2015	Increase	Decrease	As at 31 March 2015
<b><u>Outstanding balance</u></b>				
(Eliminated in consolidated financial statements)				
<b>Subsidiary companies</b>				
Interbank and money market items (Assets):				
TISCO Bank Public Company Limited	529,181	427,565	-	956,746
Loans to customers:				
Hi-Way Co., Ltd.	1,548,000	2,000	-	1,550,000
TISCO Leasing Co., Ltd.	1,606,300	-	(198,300)	1,408,000
Dividend receivables:				
TISCO Bank Public Company Limited	1,105,742	-	(1,105,742)	-
TISCO Securities Co., Ltd.	150,000	-	(150,000)	-
TISCO Asset Management Co., Ltd.	399,998	-	(399,998)	-
TISCO Information Technology Co., Ltd.	17,499	-	(17,499)	-
TISCO Learning Center Co., Ltd.	19,999	-	(19,999)	-
Other assets:				
TISCO Bank Public Company Limited	89,958	20,089	-	110,047
TISCO Learning Center Co., Ltd.	79	771	-	850
Deutsche TISCO Investment Advisory Co., Ltd.	7,875	-	(7,875)	-
Other liabilities:				
TISCO Learning Center Co., Ltd.	122	175	-	297

(Unaudited but reviewed)

	Separate financial statements		Terms and pricing policy
	2015	2014	
<b>Transactions occurred during the</b>			
<b><u>three-month periods ended 31 March</u></b>			
(Eliminated in consolidated financial statements)			
<b>Subsidiary companies</b>			
Risk and financial management fee income, human resources management fee income and office administration fee income	492,724	380,217	Determined on the basis on actual cost or on the basis of market price
Interest income	25,969	37,096	With reference to the terms and prices as offered to other customers
Rental income	15,927	16,052	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	42,000	44,750	Determined on the basis on actual cost
Training expenses	598	746	With reference to the prices as offered from other service providers
Other expenses	464	317	With reference to the terms and prices as offered to other customers

#### Loans to management-level employees (departmental manager upward)

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2015	31 December 2014
Loans <sup>(1)</sup>	29,869	22,506

<sup>(1)</sup> Including employee welfare loans and normal loans

#### Liabilities payable to directors and key management personnel

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	31 March 2015	31 December 2014
Deposits	159,364	224,784



Directors and management's benefits

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

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	2015	2014	2015	2014
Short-term benefits	65	58	41	35
Post-employment benefits	2	2	1	1
Total	67	60	42	36

**3.27 Segment information**

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

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

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

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
<b>For the three-month period ended 31 March 2014 - (restated)</b>							
<b>Revenue</b>							
External customers	3,385	187	219	(59)	3,732	13	3,745
Inter-segment	(11)	64	-	557	610	(610)	-
<b>Total revenue</b>	<b>3,374</b>	<b>251</b>	<b>219</b>	<b>498</b>	<b>4,342</b>	<b>(597)</b>	<b>3,745</b>
<b>Operating results:</b>							
Net interest income	2,261	11	2	(9)	2,265	-	2,265
Net fee and service income	883	227	217	120	1,447	(212)	1,235
Other operating income	230	13	-	387	630	(385)	245
<b>Total operating income</b>	<b>3,374</b>	<b>251</b>	<b>219</b>	<b>498</b>	<b>4,342</b>	<b>(597)</b>	<b>3,745</b>
Depreciation and amortisation	(216)	(20)	(6)	(111)	(353)	124	(229)
Other operating expenses	(1,074)	(193)	(107)	(276)	(1,650)	484	(1,166)
Bad debt, doubtful accounts and impairment losses	(1,171)	-	-	-	(1,171)	(5)	(1,176)
<b>Total operating expenses</b>	<b>(2,461)</b>	<b>(213)</b>	<b>(113)</b>	<b>(387)</b>	<b>(3,174)</b>	<b>603</b>	<b>(2,571)</b>
<b>Segment profit</b>	<b>913</b>	<b>38</b>	<b>106</b>	<b>111</b>	<b>1,168</b>	<b>6</b>	<b>1,174</b>
Income tax expenses							(230)
Non-controlling interests of the subsidiaries							(9)
<b>Profit for the period - equity holders of the Company</b>							<b>935</b>

### 3.28 Commitments and contingent liabilities

#### 3.28.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

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

#### 3.28.2 Litigation

As at 31 March 2015 and 31 December 2014, the subsidiaries have been sued for compensation totaling approximately Baht 362 million and Baht 363 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

#### 3.28.3 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 building and branch office. The terms of the agreements are generally 3 - 10 years.

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

(Unit: Million Baht)

	As at	
	31 March 2015	31 December 2014
Payable within:		
Not over 1 year	146	146
Over 1 to 5 years	169	183
Over 5 years	57	60

### 3.29 Fair value of financial instruments

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

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

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

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

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	445,810	-	-	445,810
Debt instruments	-	13,685,541	-	13,685,541
Unit trusts	848,159	28,276	-	876,435
Derivatives				
Cross currency swap	-	5,357	-	5,357
<b>Financial liabilities measured at fair value</b>				
Derivatives				
Interest rate swaps	-	39,975	-	39,975

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Unit trusts	848,159	-	-	848,159

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 trust has been determined 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. Event after the reporting period**

The 2015 Annual General Meeting of the shareholders of the Company, which convened on 23 April 2015, passed a resolution approving a dividend payment of Baht 2.00 per share from the operating results of the year 2014 to ordinary and preference shareholders listed in the share register as at 6 May 2015. The dividend is to be paid on 22 May 2015 and will be recorded in the accounts in the second quarter of year 2015.

**5. Approval of interim financial statements**

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