

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and interim financial statements
30 September 2016



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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 statement of financial position of TISCO Financial Group Public Company Limited and its subsidiaries as at 30 September 2016, the related consolidated statements of comprehensive income for the three-month and nine-month period ended 30 September 2016, 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, and have also reviewed the separate financial information of TISCO Financial Group Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,015,551	1,101,291	70	70
Interbank and money market items - net		30,271,092	31,162,645	537,365	416,723
Investments - net	3.3, 3.7	7,045,408	8,332,419	806,628	773,250
Investments in subsidiaries and joint venture - net	3.4	369,453	284,107	19,370,082	19,370,077
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		246,811,452	259,724,989	1,933,000	2,699,200
Accrued interest receivables		532,408	542,488	-	-
Total loans to customers and accrued interest receivables		247,343,860	260,267,477	1,933,000	2,699,200
Less: Deferred revenue		(20,374,715)	(21,465,152)	-	-
Less: Allowance for doubtful accounts	3.6	(7,355,509)	(6,168,270)	-	-
Loans to customers and accrued interest receivables - net		219,613,636	232,634,055	1,933,000	2,699,200
Properties foreclosed - net		26,204	47,390	-	-
Investment properties		32,157	32,157	778,245	778,245
Premises and equipment - net		2,619,093	2,633,339	900,674	877,253
Intangible assets - net		423,304	379,659	86,260	90,562
Deferred tax assets		517,342	317,686	113,708	130,154
Securities and derivatives business receivables - net		2,065,600	1,130,190	-	-
Dividend receivable from subsidiaries		-	-	-	1,842,237
Other assets	3.8	1,930,198	2,238,741	123,996	152,048
Total assets		265,929,038	280,293,679	24,650,028	27,129,819

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2016

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	
Liabilities and equity					
Liabilities					
Deposits	3.9	153,489,453	158,344,190	-	-
Interbank and money market items - net		8,308,966	10,030,060	-	-
Liabilities payable on demand		352,899	356,335	-	-
Derivatives liabilities	3.2	41,305	41,898	-	-
Debts issued and borrowings	3.10	64,091,919	74,518,919	5,800,000	6,900,000
Provision for long-term employee benefits		622,594	466,933	131,966	106,791
Deferred tax liabilities		-	1,748	-	-
Securities and derivatives business payables - net		1,616,889	1,275,029	-	-
Accrued interest payable		746,247	896,969	21,568	30,285
Income tax payable		318,589	312,895	4,897	28,176
Other liabilities	3.11	6,322,635	5,854,374	1,307,766	1,033,793
Total liabilities		235,911,496	252,099,350	7,266,197	8,099,045

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2016

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
10,759 preference shares of Baht 10 each				
(31 December 2015 18,558 shares of Baht 10 each)	108	186	108	186
800,644,724 ordinary shares of Baht 10 each				
(31 December 2015 800,636,925 shares of Baht 10 each)	8,006,447	8,006,369	8,006,447	8,006,369
	<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	-	-	95	163
Share premium on ordinary shares	1,018,408	1,018,408	7,031,428	7,031,360
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,472,543	1,381,775	148,868	94,016
Retained earnings				
Appropriated-statutory reserve	709,500	709,500	709,500	709,500
Unappropriated	18,700,206	16,979,196	1,487,385	3,189,180
	<u>29,907,212</u>	<u>28,095,434</u>	<u>17,383,831</u>	<u>19,030,774</u>
Equity attributable to owners of the Company				
Non-controlling interest of the subsidiaries	110,330	98,895	-	-
	<u>30,017,542</u>	<u>28,194,329</u>	<u>17,383,831</u>	<u>19,030,774</u>
Total equity				
	<u>265,929,038</u>	<u>280,293,679</u>	<u>24,650,028</u>	<u>27,129,819</u>

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



Mrs. Oranuch Apisaksirikul

(Group Chief Executive, TISCO Group)



บริษัท ทีเอสซีไฟแนนเชียลกรุ๊ป 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 30 September 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Interest income	3.13	3,975,439	4,176,303	11,283	17,014
Interest expenses	3.14	(1,217,767)	(1,559,399)	(25,398)	(34,842)
Net interest income		2,757,672	2,616,904	(14,115)	(17,828)
Fee and service income		1,462,918	1,244,867	-	-
Fee and service expenses		(56,281)	(46,151)	(3,569)	(2,403)
Net fee and service income	3.15	1,406,637	1,198,716	(3,569)	(2,403)
Net gains (losses) on trading and foreign exchange transactions	3.16	(9,135)	78,849	(12,452)	67,879
Net gains on investments	3.17	2,402	4,295	-	-
Share of profit from investment accounted for under equity method	3.4	21,806	23,325	-	-
Dividend income		24,669	18,793	-	-
Penalty fee income from loans		91,364	138,346	-	-
Income from business promotion relating to the hire purchase business		60,385	72,946	-	-
Intercompany supporting fee income	3.25	-	-	415,276	209,485
Other operating income	3.19, 3.25	28,729	25,968	17,743	16,563
Total operating income		4,384,529	4,178,142	402,883	273,696
Expenses from business promotion relating to the hire purchase business		65,361	81,743	-	-
Total net operating income		4,319,168	4,096,399	402,883	273,696
Operating expenses					
Employee's expenses		1,075,876	417,001	194,255	(64,143)
Directors' remuneration		3,105	3,310	3,105	3,310
Premises and equipment expenses		236,252	230,310	91,194	88,698
Taxes and duties		51,602	51,632	75	1
Other operating expenses	3.20	284,676	225,895	13,100	21,514
Total operating expenses		1,651,511	928,148	301,729	49,380
Bad debt, doubtful accounts and impairment losses	3.18	1,091,574	2,165,569	-	-
Profit from operating before income tax expenses		1,576,083	1,002,682	101,154	224,316
Income tax expenses	3.21	(316,903)	(196,821)	(20,072)	(45,157)
Profit for the period		1,259,180	805,861	81,082	179,159

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 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		41,786	(330,271)	56,306	(207,196)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	1,206	(8,617)	-	-
Income tax effects	3.23	(8,357)	66,054	(11,261)	41,439
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		34,635	(272,834)	45,045	(165,757)
Other comprehensive income for the period		34,635	(272,834)	45,045	(165,757)
Total comprehensive income for the period		1,293,815	533,027	126,127	13,402
Profit attributable to					
Equity holders of the Company	3.24	1,249,960	809,785	81,082	179,159
Non-controlling interests of the subsidiaries		9,220	(3,924)		
		1,259,180	805,861		
Total comprehensive income attributable to					
Equity holders of the Company		1,284,595	536,951	126,127	13,402
Non-controlling interests of the subsidiaries		9,220	(3,924)		
		1,293,815	533,027		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	1.56	1.01	0.10	0.22

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 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Interest income	3.13	12,033,052	12,813,215	39,522	64,629
Interest expenses	3.14	(3,892,567)	(5,348,512)	(76,906)	(119,286)
Net interest income		8,140,485	7,464,703	(37,384)	(54,657)
Fee and service income		4,039,173	3,895,093	-	-
Fee and service expenses		(166,934)	(150,450)	(11,171)	(9,676)
Net fee and service income	3.15	3,872,239	3,744,643	(11,171)	(9,676)
Net gains (losses) on trading and foreign exchange transactions	3.16	(45,035)	111,249	(36,592)	89,098
Net gains on investments	3.17	9,604	122,876	-	47
Share of profit from investment accounted for under equity method	3.4	61,295	79,229	-	-
Dividend income		78,973	92,332	-	-
Penalty fee income from loans		275,321	345,447	-	-
Income from business promotion relating to the hire purchase business		210,262	235,643	-	-
Intercompany supporting fee income	3.25	-	-	1,345,432	1,094,029
Other operating income	3.19, 3.25	86,852	61,437	51,361	49,398
Total operating income		12,689,996	12,257,559	1,311,646	1,168,239
Expenses from business promotion relating to the hire purchase business		228,476	269,170	-	-
Total net operating income		12,461,520	11,988,389	1,311,646	1,168,239
Operating expenses					
Employee's expenses		3,202,496	2,296,047	693,260	392,743
Directors' remuneration		9,465	9,540	9,465	9,540
Premises and equipment expenses		694,458	698,327	266,190	262,086
Taxes and duties		154,644	160,352	1,699	1,646
Other operating expenses	3.20	761,853	697,966	51,851	65,095
Total operating expenses		4,822,916	3,862,232	1,022,465	731,110
Bad debt, doubtful accounts and impairment losses	3.18	2,998,593	4,381,032	-	-
Profit from operating before income tax expenses		4,640,011	3,745,125	289,181	437,129
Income tax expenses	3.21	(914,825)	(731,754)	(57,325)	(88,588)
Profit for the period		3,725,186	3,013,371	231,856	348,541

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 2016**

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains (losses) on valuation in available-for-sale investments		92,735	(292,925)	69,971	(151,381)
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	24,051	(24,313)	-	-
Income tax effects	3.23	(18,546)	58,585	(13,994)	30,276
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		98,240	(258,653)	55,977	(121,105)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>		(99,391)	(20,938)	(17,732)	(11,649)
Actuarial losses					
Share of other comprehensive income of joint venture:					
Actuarial gains of joint venture		-	26	-	-
Income tax effects	3.23	19,807	4,152	3,546	2,330
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(79,584)	(16,760)	(14,186)	(9,319)
Other comprehensive income for the period		18,656	(275,413)	41,791	(130,424)
Total comprehensive income for the period		3,743,842	2,737,958	273,647	218,117
Profit attributable to					
Equity holders of the Company	3.24	3,712,629	3,006,209	231,856	348,541
Non-controlling interests of the subsidiaries		12,557	7,162		
		3,725,186	3,013,371		
Total comprehensive income attributable to					
Equity holders of the Company		3,732,368	2,730,570	273,647	218,117
Non-controlling interests of the subsidiaries		11,474	7,388		
		3,743,842	2,737,958		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	4.64	3.75	0.29	0.44

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 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Cash flows from operating activities				
Profit before income tax	4,640,011	3,745,125	289,181	437,129
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	173,727	159,675	65,639	58,128
Share of profit from investment accounted for under equity method	(61,295)	(79,229)	-	-
Bad debts and doubtful accounts	4,583,248	5,723,810	-	-
Allowance for impairment of investments (reversal)	4,467	(803)	-	(47)
Allowance for impairment of properties foreclosed	11,233	66	-	-
Gain on disposal of investments in securities	(14,692)	(125,237)	-	-
Unrealised (gain) losses on foreign exchange transactions and trading derivatives	35,993	(358,005)	36,592	(89,098)
Gain on disposal of equipment	(6,787)	(1,588)	(1,802)	-
Loss on written-off of equipment	619	813	46	17
Loss on written-off of intangible assets	6,218	-	6,218	-
Gain on disposal of properties foreclosed	(56,539)	(37,970)	-	-
Employee benefit expenses	66,273	59,141	9,149	8,723
(Increase) decrease in accrued income	(97,413)	5,573	36,375	81,766
Increase (decrease) in accrued expenses	646,883	(188,051)	317,897	93,234
Net interest income	(8,140,485)	(7,464,703)	37,384	54,657
Dividend income	(78,973)	(92,332)	-	-
Cash received on interest income	12,253,337	13,060,485	39,472	64,644
Cash paid on interest expenses	(3,294,023)	(4,593,523)	(85,623)	(128,996)
Cash received on dividend income	75,291	92,332	1,842,237	1,693,238
Cash paid on income tax expenses	(1,113,219)	(1,223,745)	(74,605)	(83,633)
Profit from operating activities before changes in operating assets and liabilities	9,633,874	8,681,834	2,518,160	2,189,762
Operating assets (increase) decrease				
Interbank and money market items	891,559	3,185,710	(120,642)	(133,549)
Loans to customers	6,675,529	17,562,312	766,200	264,000
Securities and derivatives business receivables	(935,410)	(120,502)	-	-
Receivables from clearing house	(95,074)	285,000	-	-
Properties foreclosed	1,818,033	1,522,957	-	-
Other assets	117,857	-381,046	-8,272	1,484

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 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Operating liabilities increase (decrease)				
Deposits	(4,854,737)	(43,278,315)	-	-
Interbank and money market items	(1,721,094)	(1,690,167)	-	-
Liabilities payable on demand	(3,436)	(23,959)	-	-
Securities and derivatives business payables	341,861	242,379	-	-
Short-term debts issued and borrowings	(26,607,000)	(1,868,300)	(1,100,000)	(409,400)
Payable to clearing house	686,265	(407,906)	-	-
Provision for long-term employee benefits	(10,002)	(17,694)	(1,706)	(2,880)
Other liabilities	(1,433,540)	(1,038,205)	(43,925)	(50,574)
Net cash flows from (used in) operating activities	(15,495,315)	(17,345,902)	2,009,815	1,858,843
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(4,493,132)	(14,925,711)	-	-
Cash received from disposal of investment in securities held for investment	5,846,472	21,100,031	-	-
Cash paid for purchase of investment in subsidiary	-	-	(6)	-
Cash paid for purchase of equipment	(143,241)	(260,557)	(67,757)	(230,676)
Cash paid for purchase of intangible assets	(67,085)	(93,743)	(23,264)	(26,863)
Cash received from disposal of equipment	7,151	1,588	1,802	-
Net cash flows from (used in) investing activities	1,150,165	5,821,608	(89,225)	(257,539)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	16,180,000	13,900,000	-	-
Cash paid for redemption of long-term debentures	-	(1,000,000)	-	-
Dividend paid	(1,920,590)	(1,601,443)	(1,920,590)	(1,601,304)
Net cash flows from (used in) financing activities	14,259,410	11,298,557	(1,920,590)	(1,601,304)
Net decrease in cash	(85,740)	(225,737)	-	-
Cash at beginning of the period	1,101,291	1,180,482	70	70
Cash at end of the period	1,015,551	954,745	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 2016

(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	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 2015	336	8,006,219	1,018,408	101,480	909,249	(9,641)	679,266	1,680,354	596,300	14,429,068	25,730,685	93,008	25,823,693
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,304)	(1,601,304)	-	(1,601,304)
Profit for the period	-	-	-	-	-	-	-	-	-	3,006,209	3,006,209	7,162	3,013,371
Other comprehensive income for the period	-	-	-	(234,340)	-	(24,313)	-	(258,653)	-	(16,986)	(275,639)	226	(275,413)
Total comprehensive income for the period	-	-	-	(234,340)	-	(24,313)	-	(258,653)	-	2,989,223	2,730,570	7,388	2,737,958
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(7,489)	-	-	(7,489)	-	7,489	-	-	-
Balance as at 30 September 2015	336	8,006,219	1,018,408	(132,860)	901,760	(33,954)	679,266	1,414,212	596,300	15,824,476	26,859,951	100,396	26,960,347
Balance as at 1 January 2016	186	8,006,369	1,018,408	(166,292)	899,244	(30,443)	679,266	1,381,775	709,500	16,979,196	28,095,434	98,895	28,194,329
Dividend paid	4	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)	-	(1,920,590)
Profit for the period	-	-	-	-	-	-	-	-	-	3,712,629	3,712,629	12,557	3,725,186
Other comprehensive income for the period	-	-	-	74,189	-	24,051	-	98,240	-	(78,501)	19,739	(1,083)	18,656
Total comprehensive income for the period	-	-	-	74,189	-	24,051	-	98,240	-	3,634,128	3,732,368	11,474	3,743,842
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(7,472)	-	-	(7,472)	-	7,472	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Preference shares converted to ordinary shares	(78)	78	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2016	108	8,006,447	1,018,408	(92,103)	891,772	(6,392)	679,266	1,472,543	709,500	18,700,206	29,907,212	110,330	30,017,542

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 2016

(Unit: Thousand Baht)

	Note	Separate financial statements									
		Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
		Preference	Ordinary	Preference	Ordinary	Deficit on	Surplus on	Total other	Appropriated	Unappropriated	
		shares	shares	shares	shares	change in value of	revaluation of	components			
				available-for-sale	assets	of equity					
					investments						
Balance as at 1 January 2015		336	8,006,219	295	7,031,228	(12,198)	229,490	217,292	596,300	2,646,851	18,498,521
Dividend paid	4	-	-	-	-	-	-	-	-	(1,601,304)	(1,601,304)
Profit for the period		-	-	-	-	-	-	-	-	348,541	348,541
Other comprehensive income for the period		-	-	-	-	(121,105)	-	(121,105)	-	(9,319)	(130,424)
Total comprehensive income for the period		-	-	-	-	(121,105)	-	(121,105)	-	339,222	218,117
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(1,123)	(1,123)	-	1,123	-
Balance as at 30 September 2015		336	8,006,219	295	7,031,228	(133,303)	228,367	95,064	596,300	1,385,892	17,115,334
Balance as at 1 January 2016		186	8,006,369	163	7,031,360	(133,973)	227,989	94,016	709,500	3,189,180	19,030,774
Dividend paid	4	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)
Profit for the period		-	-	-	-	-	-	-	-	231,856	231,856
Other comprehensive income for the period		-	-	-	-	55,977	-	55,977	-	(14,186)	41,791
Total comprehensive income for the period		-	-	-	-	55,977	-	55,977	-	217,670	273,647
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(1,125)	(1,125)	-	1,125	-
Preference shares converted to ordinary shares		(78)	78	(68)	68	-	-	-	-	-	-
Balance as at 30 September 2016		108	8,006,447	95	7,031,428	(77,996)	226,864	148,868	709,500	1,487,385	17,383,831

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 2016

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

1.1 Basis of preparation of interim financial statements

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements, which are in accordance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 21/2558 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 4 December 2015.

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

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

1.2 Basis of interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2015. During the period, there was no change in the composition of the subsidiaries.

1.3 The separate financial statements

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

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2015, except for the changes in significant accounting estimation of TISCO Bank Public Company Limited (TISCO Bank), a subsidiary of the Company, as follows:

Allowance for doubtful accounts

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

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

Such allowances are set aside in accordance with the BOT's Notifications issued on 10 June 2016.

The effect of this change in accounting estimate used in recording allowance for doubtful accounts was to decrease the outstanding balance of allowance for doubtful accounts for loans against auto license receivables as at 30 September 2016 by Baht 209 million. However, TISCO Bank did not reverse the decrease in allowance for doubtful accounts to revenue and instead retained the allowance as excess reserves.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 30 September 2016 and 31 December 2015 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			30 September 2016	31 December 2015
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.97	99.97
<u>Subsidiaries indirectly held by the Company</u>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00

3.2 Derivatives

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

(Unit: Thousand Baht)

Type of risk	Consolidated financial statements as at					
	30 September 2016			31 December 2015		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Interest rate	-	41,305	1,200,000	-	41,898	1,200,000
Total	-	41,305	1,200,000	-	41,898	1,200,000

All counterparties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by type of investment

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Available-for-sale investments - fair value		
Government and state enterprise securities	4,108,500	5,352,523
Private sector debt securities	1,289,395	1,398,187
Foreign sector debt securities	-	5
Domestic marketable equity securities	377,527	335,047
Other securities - domestic unit trusts	28,651	28,519
Other securities - foreign unit trusts	806,628	773,250
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	6,609,241	7,886,071
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	13,688	14,402
Less: Allowance for impairment	(13,590)	(14,211)
Total held-to-maturity debt securities	98	191
General investments - cost		
Domestic non-marketable equity securities	488,479	493,479
Less: Allowance for impairment	(52,410)	(47,322)
Total general investments	436,069	446,157
Investments - net	7,045,408	8,332,419

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 September 2016	31 December 2015
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	806,628	773,250

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 September 2016				31 December 2015			
	Due within				Due within			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments								
Government and state enterprise securities	4,107	-	2	4,109	4,605	747	-	5,352
Private sector debt securities	182	1,107	-	1,289	107	1,291	-	1,398
Total	4,289	1,107	2	5,398	4,712	2,038	-	6,750
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,288	1,107	2	5,397	4,711	2,038	-	6,749
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	14	-	-	14
Less: Allowance for impairment	(14)	-	-	(14)	(14)	-	-	(14)
Total	-	-	-	-	-	-	-	-
Total debt securities	4,288	1,107	2	5,397	4,711	2,038	-	6,749

3.3.3 Investments subject to restriction

(Unit: Million Baht)

Type of investment	Consolidated financial statements as at		Type of restriction
	30 September 2016	31 December 2015	
Government debt securities	2	2	Pledged for electricity usage

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2016			
	Cost	Fair value	Allowance for changes in value
Companies having problems with debt repayment or in default	7,060	-	7,060

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	30 September 2016			31 December 2015		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
Trading import and export:						
Shin Thai Enterprises Co., Ltd.	331	-	10	5,707	-	10
PDTL Trading Co., Ltd.	4,265	-	10	4,372	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	3,233	-	10	3,468	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	17,622	-	10	17,127	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Investment in subsidiaries	-	-	19,296,837	19,296,832
Investment in joint venture	369,453	284,107	73,245	73,245
	<u>369,453</u>	<u>284,107</u>	<u>19,370,082</u>	<u>19,370,077</u>

3.4.1 Investment in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of investment as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the nine-month periods ended	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	30 September 2015
				(%)	(%)				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	17,641	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase and retail loan	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Leasing Co., Ltd.	Hire purchase and retail loan	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	5	5	-	-
All-Ways Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.97	99.97	1	1	-	-
						<u>19,406</u>	<u>19,406</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						<u>19,297</u>	<u>19,297</u>		

3.4.2 Investment in joint venture

a) Details of investment in joint venture

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

		(Unit: Thousand Baht)							
		Consolidated financial statements							
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at			
		30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	369,453	284,107		
		(Unit: Thousand Baht)							
		Separate financial statements							
Jointly controlled entity	Nature of business	Shareholding percentage as at		Cost as at		Allowance for impairment of investment as at		Carrying amounts based on cost method - net as at	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	-	-	73,245	73,245

b) Share of profit/loss and dividend received

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

		(Unit: Thousand Baht)					
		Consolidated financial statements				Separate financial statements	
Jointly controlled entity		Share of profit/loss from investment in joint venture for the three-month periods ended		Share of other comprehensive income from investments in joint venture for the three-month periods ended		Dividend received for the three-month periods ended	
		30 September 2016	30 September 2015	30 September 2016	30 September 2015	30 September 2016	30 September 2015
TISCO Tokyo Leasing Co., Ltd.		21,806	23,325	1,206	(8,617)	-	-

(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 investments in joint venture for the nine-month periods ended 30 September		Dividend received for the nine-month periods ended 30 September	
Jointly controlled entity	2016	2015	2016	2015	2016	2015
TISCO Tokyo Leasing Co., Ltd.	61,295	79,229	24,051	(24,287)	-	-

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by loans to customers type

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Loans to customers		
Loans	69,760,386	67,597,088
Hire purchase receivables	176,724,579	191,591,969
Finance lease receivables	547,651	794,467
Less: Deferred revenue	(20,374,715)	(21,465,152)
Advances received from finance lease receivables	(221,164)	(258,535)
Total loans to customers	226,436,737	238,259,837
Add: Accrued interest receivables	532,408	542,488
Less: Allowance for doubtful accounts	(7,355,509)	(6,168,270)
Loans to customers and accrued interest receivables - net	219,613,636	232,634,055

	(Unit: Thousand Baht)	
	Separate financial statements as at	
	30 September 2016	31 December 2015
Loans to customers		
Loans	1,933,000	2,699,200
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	1,933,000	2,699,200

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 September 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	226,436,737	-	226,436,737	238,259,837	-	238,259,837
Total loans to customers net of deferred revenue	226,436,737	-	226,436,737	238,259,837	-	238,259,837

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 September 2016			31 December 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,933,000	-	1,933,000	2,699,200	-	2,699,200
Total loans to customers net of deferred revenue	1,933,000	-	1,933,000	2,699,200	-	2,699,200

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

(Unit: Million Baht)

	As at					
	30 September 2016			31 December 2015		
	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	201,206	179,480	2,039	211,415	189,112	1,871
- Special mention	15,908	15,668	1,225	16,448	16,195	1,163
- Sub-standard	2,826	2,779	1,038	2,713	2,690	931
- Doubtful	1,454	1,395	418	1,938	1,931	599
- Doubtful of loss	1,977	1,455	640	2,255	1,695	694
Allowance established in excess	-	-	1,490	-	-	312
Total	223,371	200,777	6,850	234,769	211,623	5,570

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

⁽²⁾ As at 30 September 2016, 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 2,253 million (As at 31 December 2015: total of Baht 1,131 million). TISCO Bank allocated Baht 763 million of the excess provision to specific provision for individual debtors (As at 31 December 2015: total of Baht 819 million) and so combined with the minimum provision requirement of Baht 4,597 million (As at 31 December 2015: total of Baht 4,439 million), the total provision set aside in accordance with BOT requirements is Baht 5,360 million (As at 31 December 2015: total of Baht 5,258 million).

	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 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	
Pass	0.78	0.68	1.53	1.12	1	1
Special mention	5.80	5.34	16.80	16.80	2	2
Sub-standard	28.62	23.38	33.74	100	100	100
Doubtful	23.68	22.91	33.74	100	100	100
Doubtful of loss	22.91	22.57	33.74	100	100	100

⁽¹⁾ These percentages of allowance for doubtful accounts are average percentages used in setting up allowance for doubtful accounts, after inclusion of the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for 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⁾ As at 31 December 2015, TISCO Bank did not use collective approach for loan against auto license receivables.

3.5.4 Hire purchase and finance lease receivables

As at 30 September 2016, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 156,943 million (31 December 2015: Baht 170,900 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operations. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	Consolidated financial statements as at 30 September 2016				
	Amounts of installments due under the long-term lease agreements				
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	59,704	104,736	4,713	8,119	177,272
Less: Deferred revenue ⁽¹⁾	(7,726)	(9,147)	(150)	(3,085)	(20,108)
Advances received from finance lease receivables	(78)	(140)	-	(3)	(221)
Present value of minimum lease pay from agreements	51,900	95,449	4,563	5,031	156,943
Allowance for doubtful accounts ⁽²⁾					(3,489)
Net hire purchase and finance lease receivables					153,454

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

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

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015

	Amounts of installments due under the long-term lease agreements				
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	63,210	115,256	5,267	8,653	192,386
Less: Deferred revenue ⁽¹⁾	(8,390)	(10,115)	(163)	(2,559)	(21,227)
Advances received from finance lease receivables	(37)	(222)	-	-	(259)
Present value of minimum lease pay from agreements	54,783	104,919	5,104	6,094	170,900
Allowance for doubtful accounts ⁽²⁾					(3,571)
Net hire purchase and finance lease receivables					167,329

⁽¹⁾ Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.⁽²⁾ These allowance for doubtful accounts of the subsidiary company operating banking business included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for 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 2016	31 December 2015	30 September 2016	31 December 2015
	Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	7,418	7,315	7,418

⁽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 2016	31 December 2015
Hire purchase receivables, finance lease receivables and other loans and receivables for which the recognition of interest income has been ceased	703	880

(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	31 December
	2016	2015
Deferred revenue ⁽¹⁾	20,375	21,465

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

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2016	2015	2016	2015
Debtors restructured during the period				
Number of debtors restructured by modification of terms (number)	1,578	3,269	5,027	7,261
Loan balances before restructuring (Million Baht)	462	1,141	1,416	2,541
Loan balances after restructuring (Million Baht)	465	1,148	1,428	2,557
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	5	5	5	5
Mortgage loan receivables	2	3	2	3
Loan against auto license receivables	4	4	4	4
Commercial lending receivables	-	-	-	2

Supplemental information for the three-month and nine-month periods ended 30 September 2016 and 2015 relating to the restructured debts is as follows:

(Unit: Million Baht)

	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2016	2015	2016	2015
Interest income on restructured receivables	89	53	254	112
Receipt of principal and interest	277	132	730	284

(Unaudited but reviewed)

As at 30 September 2016 and 31 December 2015, a subsidiary company operating banking business has the outstanding balances with troubled debt restructuring debtors as follows:

(Unit: Million Baht)

	As at			
	30 September 2016		31 December 2015	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	15,712	4,374	11,757	3,754

3.6 Allowance for doubtful accounts

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2016							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	1,986,095	1,269,078	1,073,807	712,133	815,222	311,935	6,168,270
Increase in allowance for doubtful accounts during the period	168,869	54,181	185,513	1,454,114	1,548,983	1,177,568	4,589,228
Bad debt written-off	(537)	(11,668)	(110,491)	(1,662,713)	(1,616,580)	-	(3,401,989)
Balance - end of period	2,154,427	1,311,591	1,148,829	503,534	747,625	1,489,503	7,355,509

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2015							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	1,953,919	2,599,444	1,208,484	734,070	263,755	190,751	6,950,423
Increase in allowance for doubtful accounts during the year	34,373	2,327,517	543,692	2,743,797	1,317,153	121,184	7,087,716
Transfer in (transfer out)	-	(3,636,960)	-	-	3,636,960	-	-
Bad debt written-off	(2,197)	(20,923)	(678,369)	(2,765,734)	(4,402,646)	-	(7,869,869)
Balance - end of year	1,986,095	1,269,078	1,073,807	712,133	815,222	311,935	6,168,270

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 September 2016				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	2,300,466	3,555,869	311,935	6,168,270
Increase (decrease) in allowance for doubtful accounts during the period	(406,982)	3,818,642	1,177,568	4,589,228
Bad debt written-off	(134,099)	(3,267,890)	-	(3,401,989)
Balance - end of period	1,759,385	4,106,621	1,489,503	7,355,509

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2015

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

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

(Unit: Million Baht)

	As at	
	30 September 2016	31 December 2015
Non-performing loans to customers	6,257	6,906
Allowance for doubtful accounts ⁽¹⁾	2,096	2,224

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

3.7 Classification of assets

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

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts as at	
	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
Debt securities - debentures ⁽¹⁾	1	1	-	-	1	1
Equity securities - ordinary shares ⁽²⁾	6	6	-	-	6	6

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

⁽²⁾ Investments in securities of companies which are vulnerable to delisting, of companies whose auditors have expressed opinions citing the going concern issue, or of companies which have defaulted on interest payment.

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

As at 30 September 2016 and 31 December 2015, the quality of assets of a subsidiary company operating banking business classified in accordance with the Bank of Thailand's guidelines is as follows:

	(Unit: Million Baht)									
	Loans to customers ⁽¹⁾		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Pass	229,395	238,906	-	-	-	-	-	-	229,395	238,906
Special mention	15,723	16,254	-	-	-	-	-	-	15,723	16,254
Sub-standard	2,826	2,713	-	-	-	-	-	-	2,826	2,713
Doubtful	1,454	1,938	-	-	-	-	-	-	1,454	1,938
Doubtful of loss	1,977	2,255	54	49	14	14	12	1	2,057	2,319
Total	251,375	262,066	54	49	14	14	12	1	251,455	262,130

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

3.7.3 Classification of assets under the Bank of Thailand's guidelines 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	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		
Pass	135,242	146,900	135,242	146,900	0.78	0.68	1,057	1,000
Special mention	13,716	14,458	13,716	14,458	5.80	5.34	796	772
Sub-standard	2,192	2,296	2,192	2,296	28.62	23.38	627	537
Doubtful	1,182	1,728	1,182	1,728	23.68	22.91	280	396
Doubtful of loss	1,046	1,306	1,046	1,306	22.91	22.57	240	295
Total	153,378	166,688	153,378	166,688			3,000	3,000

⁽¹⁾ The subsidiary company operating banking business does not deduct the collateral value from the outstanding loan balance for calculation of allowance for doubtful accounts for hire purchase receivables.

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

⁽³⁾ These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

3.7.3.2 Loan against auto license receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting the allowance for doubtful accounts		Percentage of allowance for doubtful account setup ^{(1) (2)}		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
					(%)	(%)		
Pass	15,955	14,772	15,955	14,772	1.53	1.12	243	165
Special mention	1,528	1,331	1,528	1,331	16.80	16.80	257	223
Sub-standard	267	296	267	296	33.74	100	90	296
Doubtful	115	116	115	116	33.74	100	39	116
Doubtful of loss	16	20	16	20	33.74	100	5	20
Total	17,881	16,535	17,881	16,535			634	820

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

⁽²⁾ As at 31 December 2015, TISCO Bank did not use collective approach for loans against auto license receivables.

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

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		Debt balance - net	
	as at		as at		as at	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Pass	2,423	2,576	115	114	2,308	2,462
Special mention	509	623	86	105	423	518
Sub-standard	208	276	111	143	97	133
Doubtful	163	220	86	113	77	107
Doubtful of loss	259	299	108	122	151	177
Total	3,562	3,994	506	597	3,056	3,397

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

	Number of debtors as at		Debt balance as at		Collateral value as at		Allowance for doubtful accounts provided in the accounts as at	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET ⁽¹⁾	1	-	821	-	479	-	342	-
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	2	-	288	-	208	-	3	-
3. Listed companies under rehabilitation	-	1	-	821	-	497	-	324
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	3	1	1,109	821	687	497	345	324

⁽¹⁾ Those company under rehabilitation.

3.8 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Receivable from clearing house	343,210	248,136	-	-
Value added tax - net	255,698	675,142	1,336	1,089
Accrued interest receivables	30,723	19,911	-	-
Fee and service receivables	345,640	248,227	75,528	111,903
Refundable income tax and prepaid income tax	30,000	29,362	-	-
Deposits	58,019	55,982	2,119	2,106
Other receivables	471,454	558,646	-	54
Other assets	395,454	403,335	45,013	36,896
Total other assets	1,930,198	2,238,741	123,996	152,048

3.9 Deposits

3.9.1 Classified by type of deposits

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Deposits		
Current accounts	2,945,572	3,122,043
Saving accounts	53,129,707	48,272,465
Fixed accounts		
- not over 6 months	11,859,385	15,505,231
- over 6 months but not over 1 year	2,175,961	1,859,691
- over 1 year	135,941	369,246
Certificates of deposit/negotiable certificates of deposit	83,242,887	89,215,514
Total	153,489,453	158,344,190

3.9.2 Classified by remaining period of contract

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Not over 1 year ⁽¹⁾	152,326,414	157,844,248
Over 1 year	1,163,039	499,942
Total deposits	153,489,453	158,344,190

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 30 September 2016 and 31 December 2015, all outstanding deposits are deposits from domestic depositors and in Baht.

3.10 Debt issued and borrowings

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	7,323,000	6,643,000	-	-
Unsubordinated unsecured debentures	50,932,000	60,939,000	-	-
Bills of exchange	5,836,122	6,936,122	5,800,000	6,900,000
Promissory notes	797	797	-	-
Total	64,091,919	74,518,919	5,800,000	6,900,000

3.10.1 Subordinated unsecured debentures

As at 30 September 2016 and 31 December 2015, a subsidiary company operating banking business has long-term subordinated unsecured debentures as follows:

Issue year	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
	30 September 2016	31 December 2015		30 September 2016	31 December 2015		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2012	1.00	1.00	1,000	1,000	1,000	2022	4.85 percent per annum
2012	1.24	1.24	1,000	1,243	1,243	2022	4.60 percent per annum
2014	1.60	1.60	1,000	1,600	1,600	2024	6.00 percent per annum
2014	0.80	0.80	1,000	800	800	2024	6.00 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.50 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.25 percent per annum
2016	0.68	-	1,000	680	-	2026	3.875 percent per annum
Total				<u>7,323</u>	<u>6,643</u>		

3.10.2 Unsubordinated unsecured debentures

As at 30 September 2016 and 31 December 2015, a subsidiary company operating banking business had short-term and long-term unsubordinated unsecured debentures as follows:

Issue year	Type of debentures	Units as at		Face value per unit (Baht)	Balance in consolidated financial statements as at		Maturity in the year	Interest rate
		30 September 2016	31 December 2015		30 September 2016	31 December 2015		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2015	Short-term debenture	-	5.60	1,000	-	5,600	2016	1.75 percent per annum
2015	Short-term debenture	19.752	39.659	1,000	19,752	39,659	2016	1.50 - 1.65 percent per annum
2015	Long-term debenture	15.68	15.68	1,000	15,680	15,680	2017	1.875 - 2.00 percent per annum
2016	Long-term debenture	5.50	-	1,000	5,500	-	2018	1.95 - 2.00 percent per annum
2016	Long-term debenture	10.00	-	1,000	10,000	-	2019	1.85 - 1.95 percent per annum
Total					<u>50,932</u>	<u>60,939</u>		

3.10.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing are between 1.60 and 2.50 percent per annum which will gradually mature in 2016 - 2017.

3.11 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Payable to clearing house	782,841	96,576	-	-
Withholding income tax and other tax payable	232,764	449,453	10,310	54,246
Accrued insurance premium	522,957	780,328	-	-
Deferred income	1,075,379	1,148,667	-	-
Accrued expenses	2,970,987	2,324,103	1,297,375	979,477
Suspense creditors	338,989	620,419	-	-
Other liabilities	398,718	434,828	81	70
Total other liabilities	6,322,635	5,854,374	1,307,766	1,033,793

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 2016 and 31 December 2015, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 707 million and Baht 584 million, respectively (the Company only: Baht 362 million and Baht 307 million, respectively).

3.12 Capital funds

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

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

Regarding Capital fund as at 30 September 2016 and 31 December 2015, TISCO Bank has allocated the additional reserve from classification as part of regulatory capital fund. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	30 September 2016	31 December 2015
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	8,006,447	8,006,369
Premium on share capital	1,018,408	1,018,408
Statutory reserve	709,500	596,300
Net profits after appropriation	15,729,622	13,574,757
Other components of equity	1,463,198	1,363,340
Less: Deductions from Common Equity Tier I items	(869,982)	(1,176,479)
Total Common Equity Tier I capital	26,057,193	23,382,695
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	108	185
Total Tier I capital	26,057,301	23,382,880
<u>Tier II capital</u>		
Long-term subordinated debentures	7,323,000	6,643,000
Reserve for loans classified as pass	404,568	289,818
Surplus of provision	203,807	-
Total Tier II capital	7,931,375	6,932,818
Total capital funds	33,988,676	30,315,698

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2016		31 December 2015	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	14.24	5.125	12.71	4.50
Tier I capital to risk assets	14.24	6.625	12.71	6.00
Total capital to risk assets	18.58	9.125	16.48	8.50

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

	(Unit: Thousand Baht)	
	As at	
	30 September 2016	31 December 2015
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	13,501,649	11,761,069
Other components of equity	221,863	223,944
Less : Deductions from Common Equity Tier I items	(490,863)	(738,189)
Total Common Equity Tier I capital	25,975,349	23,989,524
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	25,975,350	23,989,525
<u>Tier II Capital</u>		
Long-term subordinated debentures	7,323,000	6,643,000
Reserve for loans classified as pass	358,709	268,512
Surplus of provision	249,667	-
Total Tier II capital	7,931,376	6,911,512
Total capital funds	33,906,726	30,901,037

(Unit: Percent)

	As at			
	30 September 2016		31 December 2015	
Capital fund ratios	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	15.18	5.125	13.98	4.50
Tier I capital to risk assets	15.18	6.625	13.98	6.00
Total capital to risk assets	19.81	9.125	18.01	8.50

3.12.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 5/2556 regarding "Public Disclosure of Capital Maintenance for Financial Business Group" the Company has disclosed capital maintenance information of financial business group as at 30 June 2016 on its website on 31 October 2016.

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016 and 2015 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	
	2016	2015	2016	2015
Interbank and money market items	108,128	141,004	382,094	423,985
Investments in debt securities	50,260	49,277	139,730	204,116
Loans to customers	1,407,654	1,420,848	4,107,791	4,292,625
Hire purchase and finance lease	2,409,397	2,565,174	7,403,437	7,892,489
Total interest income	3,975,439	4,176,303	12,033,052	12,813,215

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Interbank and money market items	913	1,208	4,399	6,723
Loans to customers	10,370	15,806	35,123	57,906
Total interest income	11,283	17,014	39,522	64,629

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016 and 2015 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	
	2016	2015	2016	2015
Deposits	587,570	854,961	1,884,084	3,178,432
Interbank and money market items	30,464	54,544	116,160	186,649
Contribution fee to the Deposit Protection				
Agency and Bank of Thailand	243,229	281,657	763,251	870,357
Issued debt instruments				
- Subordinated debentures	88,741	86,374	256,868	255,962
- Unsubordinated debentures	242,134	246,792	794,614	737,346
Borrowings	25,629	35,071	77,590	119,766
Total interest expenses	<u>1,217,767</u>	<u>1,559,399</u>	<u>3,892,567</u>	<u>5,348,512</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Borrowings	25,398	34,842	76,906	119,286
Total interest expenses	<u>25,398</u>	<u>34,842</u>	<u>76,906</u>	<u>119,286</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 2016 and 2015 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	
	2016	2015	2016	2015
Fee and service income				
- Acceptance, aval and guarantees	1,442	2,197	6,628	6,847
- Insurance service	586,121	555,176	1,788,302	1,644,731
- Brokerage fees	245,845	191,634	626,390	636,282
- Fund management	292,034	206,065	724,466	631,545
- Management	3,498	-	13,247	-
- Financial advisory	15,786	2,402	34,073	8,752
- Others	318,192	287,393	846,067	966,936
Total fee and service income	1,462,918	1,244,867	4,039,173	3,895,093
Fee and service expenses				
- Information service expenses	(6,528)	(6,601)	(19,730)	(19,188)
- Others	(49,753)	(39,550)	(147,204)	(131,262)
Total fee and service expenses	(56,281)	(46,151)	(166,934)	(150,450)
Net fee and service income	1,406,637	1,198,716	3,872,239	3,744,643

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Fee and service income	-	-	-	-
Fee and service expenses	(3,569)	(2,403)	(11,171)	(9,676)
Net fee and service income	(3,569)	(2,403)	(11,171)	(9,676)

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 2016 and 2015 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	
	2016	2015	2016	2015
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	(12,455)	76,125	(36,586)	122,148
- Derivatives on interest rates	2,193	3,393	(12,882)	(12,466)
- Debt securities	1,127	(669)	4,433	1,569
- Others	-	-	-	(2)
Net gains (losses) on trading and foreign exchange transactions	<u>(9,135)</u>	<u>78,849</u>	<u>(45,035)</u>	<u>111,249</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies	(12,452)	67,879	(36,592)	89,098
Net gains (losses) on trading and foreign exchange transactions	<u>(12,452)</u>	<u>67,879</u>	<u>(36,592)</u>	<u>89,098</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 2016 and 2015 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	
	2016	2015	2016	2015
Gains (losses) on disposal				
- Available-for-sale investments	(240)	2,452	6,794	116,077
- Held-to-maturity debt securities	-	17	-	59
- General investments	2,518	2,468	7,898	9,101
Total	2,278	4,937	14,692	125,237
Reversal of losses (losses) on impairment				
- General investments	124	(642)	(5,088)	(2,361)
Total	124	(642)	(5,088)	(2,361)
Net gains on investments	2,402	4,295	9,604	122,876

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Reversal of losses on impairment				
- Investment in subsidiaries	-	-	-	47
Net gains on investments	-	-	-	47

3.18 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016 and 2015 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	
	2016	2015	2016	2015
Interbank and money market items	-	3,500	-	8,000
Held-to-maturity debt securities	(43)	(32)	(621)	(3,164)
Loans to customers	1,091,617	2,162,101	2,999,214	4,376,196
Total	1,091,574	2,165,569	2,998,593	4,381,032

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 2016 and 2015 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	
	2016	2015	2016	2015
Gains on disposal of properties foreclosed	18,998	20,775	56,539	37,970
Others	9,731	5,193	30,313	23,467
Total	28,729	25,968	86,852	61,437

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Rental income	16,022	16,136	48,297	48,310
Others	1,721	427	3,064	1,088
Total	17,743	16,563	51,361	49,398

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 2016 and 2015 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	
	2016	2015	2016	2015
Mailing expenses	15,454	15,449	47,605	48,375
Software amortisation expenses	19,189	12,610	42,363	37,288
Legal expenses	97,111	72,071	272,930	231,425
Transportation expenses	23,606	23,944	68,842	69,122
Advertising and business promotion expenses	23,828	18,245	67,170	61,743
Others	105,488	83,576	262,943	250,013
Total	284,676	225,895	761,853	697,966

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Mailing expenses	71	70	215	192
Software amortisation expenses	7,209	8,329	21,349	24,143
Transportation expenses	2,292	2,438	6,235	6,679
Advertising expenses	-	3,238	723	4,727
Others	3,528	7,439	23,329	29,354
Total	13,100	21,514	51,851	65,095

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 2016 and 2015 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	
	2016	2015	2016	2015
Current income tax:				
Income tax expenses for the period	373,171	129,769	1,113,721	731,541
Adjustment in respect of current income tax of previous year	-	-	(31)	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(56,268)	67,052	(198,865)	213
Income tax expenses reported in the statement of comprehensive income	<u>316,903</u>	<u>196,821</u>	<u>914,825</u>	<u>731,754</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Current income tax:				
Income tax expenses for the period	18,145	43,804	51,368	85,591
Adjustment in respect of current income tax of previous year	-	-	(41)	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	1,927	1,353	5,998	2,997
Income tax expenses reported in the statement of comprehensive income	<u>20,072</u>	<u>45,157</u>	<u>57,325</u>	<u>88,588</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	
	2016	2015	2016	2015
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	41,546	(327,819)	99,529	(176,848)
Less: Reclassification adjustments for (gains) losses included in profit or loss	240	(2,452)	(6,794)	(116,077)
	41,786	(330,271)	92,735	(292,925)
Actuarial losses	-	-	(99,391)	(20,938)
Share of other comprehensive income of joint venture:				
Actuarial gains of joint venture	-	-	-	26
Cash flow hedges of joint venture	1,206	(8,617)	24,051	(24,313)
Other comprehensive income	42,992	(338,888)	17,395	(338,150)
Income tax effects relating to components of other comprehensive income	(8,357)	66,054	1,261	62,737
Net other comprehensive income for the period	34,635	(272,834)	18,656	(275,413)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Other comprehensive income				
Available-for-sale investments:				
Gains (losses) during the period	56,306	(207,196)	69,971	(151,381)
Actuarial losses	-	-	(17,732)	(11,649)
Other comprehensive income	56,306	(207,196)	52,239	(163,030)
Income tax effects relating to components of other comprehensive income	(11,261)	41,439	(10,448)	32,606
Net other comprehensive income for the period	45,045	(165,757)	41,791	(130,424)

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					
		2016			2015		
		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	41,786	(8,357)	33,429	(330,271)	66,054	(264,217)	
	<u>41,786</u>	<u>(8,357)</u>	<u>33,429</u>	<u>(330,271)</u>	<u>66,054</u>	<u>(264,217)</u>	

(Unit: Thousand Baht)

		Consolidated financial statements					
		For the nine-month periods ended 30 September					
		2016			2015		
		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	92,735	(18,546)	74,189	(292,925)	58,585	(234,340)	
Actuarial losses	(99,391)	19,807	(79,584)	(20,938)	4,152	(16,786)	
	<u>(6,656)</u>	<u>1,261</u>	<u>(5,395)</u>	<u>(313,863)</u>	<u>62,737</u>	<u>(251,126)</u>	

(Unit: Thousand Baht)

		Separate financial statements					
		For the three-month periods ended 30 September					
		2016			2015		
		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	56,306	(11,261)	45,045	(207,196)	41,439	(165,757)	
	<u>56,306</u>	<u>(11,261)</u>	<u>45,045</u>	<u>(207,196)</u>	<u>41,439</u>	<u>(165,757)</u>	

(Unit: Thousand Baht)

	Separate financial statements					
	For the nine-month periods ended 30 September					
	2016			2015		
	Tax			Tax		
	Before tax	(expense)	Net of tax	Before tax	(expense)	Net of tax
	amount	benefit	amount	amount	benefit	amount
(Gains) losses valuation in						
available-for-sale investments	69,971	(13,994)	55,977	(151,381)	30,276	(121,105)
Actuarial losses	(17,732)	3,546	(14,186)	(11,649)	2,330	(9,319)
	52,239	(10,448)	41,791	(163,030)	32,606	(130,424)

3.24 Earnings per share

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

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Profit attributable to equity holders of the Company (Thousand Baht)	1,249,960	809,785	3,712,629	3,006,209
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	1.56	1.01	4.64	3.75

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Profit attributable to equity holders of the Company (Thousand Baht)	81,082	179,159	231,856	348,541
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	0.10	0.22	0.29	0.44

3.25 Related party transactions

As at 30 September 2016 and 31 December 2015, the balances of the accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2016	31 December 2015
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items (Assets):		
TISCO Bank Public Company Limited	537,365	416,723
Loans to customers:		
Hi-Way Co., Ltd.	1,485,000	1,820,000
TISCO Leasing Co., Ltd.	448,000	879,200
Dividend receivables:		
TISCO Bank Public Company Limited	-	1,105,742
TISCO Securities Co., Ltd.	-	175,000
TISCO Asset Management Co., Ltd.	-	504,997
TISCO Information Technology Co., Ltd.	-	47,999
TISCO Learning Center Co., Ltd.	-	8,499
Other assets:		
TISCO Bank Public Company Limited	74,605	101,343
TISCO Learning Center Co., Ltd.	1,111	671
Deutsche TISCO Investment Advisory Co., Ltd.	-	10,106
Other liabilities:		
TISCO Bank Public Company Limited	147	-
TISCO Learning Center Co., Ltd.	539	1,352

Loans to related companies

As at 30 September 2016 and 1 January 2016, the balances of loans between the Company and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at			As at
	1 January 2016	Increase	Decrease	30 September 2016
Subsidiary companies				
Loans to customers:				
Hi-Way Co., Ltd.	1,820,000	-	(335,000)	1,485,000
TISCO Leasing Co., Ltd.	879,200	-	(431,200)	448,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Terms and pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2016	2015	2016	2015	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	415,276	209,485	1,345,432	1,094,029	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	11,284	17,005	39,523	64,529	With reference to the terms and prices as offered to other customers
Rental income	15,762	15,889	47,541	47,557	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	40,750	42,000	122,250	126,000	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	1,519	1,358	3,086	3,015	With reference to the prices as offered from other service providers
Other expenses	679	235	1,764	1,767	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 2016	31 December 2015
Loans ⁽¹⁾	20,610	29,228

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Deposits	148,649	190,299

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had short-term benefit paid to their directors and management during the periods and other employee benefit expenses payable to their directors and management as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Short-term benefits	138	151	259	269
Post-employment benefits	10	10	30	29
Other long-term benefits	102	91	102	91
Total	250	252	391	389

(Unit: Million Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Short-term benefits	96	116	174	191
Post-employment benefits	6	6	19	18
Other long-term benefits	22	19	22	19
Total	124	141	215	228

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 2016 and 2015, respectively.

(Unit: Million Baht)

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

(Unaudited but reviewed)

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

(Unaudited but reviewed)

(Unit: Million Baht)

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

(Unaudited but reviewed)

(Unit: Million Baht)

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

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 2016 and 2015, the Company and its subsidiaries did not have income from any clients amounting to or over 10 percent of their income.

3.27 Commitments and contingent liabilities

3.27.1 Avals, guarantees and commitments

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 September 2016	31 December 2015
Avals	11,233	414,867
Other guarantees	698,018	691,788
Undrawn client overdraft facilities	30,000	30,000
Interest rate swap agreements	1,200,000	1,200,000
Others	6,271,009	13,364,596
Total	<u>8,210,260</u>	<u>15,701,251</u>

3.27.2 Litigation

As at 30 September 2016 and 31 December 2015, the subsidiaries have been sued for compensation totaling approximately Baht 346 million and Baht 368 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.27.3 Other commitments

- a) The subsidiary companies have commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The subsidiary companies have entered into several lease agreements in respect of the lease of office buildings and branch offices. The terms of the agreements are generally 3 - 10 years.

As at 30 September 2016 and 31 December 2015, the subsidiary companies have future minimum lease payments required under these non-cancellable operating lease contracts as follows:

	(Unit: Million Baht)	
	As at	
	30 September 2016	31 December 2015
Payable within:		
Not over 1 year	156	126
Over 1 to 5 years	132	118
Over 5 years	48	50

3.28 Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

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

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

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

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

(Unaudited but reviewed)

As of 30 September 2016 and 31 December 2015, the Company and its subsidiaries have the following 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 2016				
	Book	Fair Value			Total
	Value	Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	378	378	-	-	378
Debt securities	5,396	-	5,396	-	5,396
Unit trusts	836	807	29	-	836
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	41	-	41	-	41

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2015				
	Book	Fair Value			Total
	Value	Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	335	335	-	-	335
Debt securities	6,749	-	6,749	-	6,749
Unit trusts	802	773	29	-	802
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	42	-	42	-	42

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements as at 30 September 2016				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	807	807	-	-	807

(Unit: Million Baht)

	Separate financial statements as at 31 December 2015				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	773	773	-	-	773

Valuation techniques and inputs to Level 2 and Level 3 valuations

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

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

4. Dividend

	Approved by	Dividend per share		Total	Dividend payment
		Preference	Ordinary	dividends	in the month
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividends for 2014	The 2015 Annual General Meeting of the Shareholders on 23 April 2015	2.00	2.00	1,601	May 2015
Total dividends for 2015				<u>1,601</u>	
Annual dividends for 2015	The 2016 Annual General Meeting of the Shareholders on 21 April 2016	2.40	2.40	1,921	May 2016
Total dividends for 2016				<u>1,921</u>	

5. Event after the reporting period

A resolution passed by the Extraordinary General Meeting of the Shareholders of All-Ways Co., Ltd. (a subsidiary company) No. 1/2559, on 21 October 2016, approved an increase of Baht 99 million in its registered share capital, from Baht 1 million to Baht 100 million, by issuing 990,000 new ordinary shares. As a result, the number of ordinary shares will increase from 10,000 shares to 1,000,000 shares of Baht 100 each and they are to be 100% paid up. The meeting also approved the amendment of item No. 5 in the memorandum of association, to state that the subsidiary's issued and fully paid-up registered capital is Baht 100 million, consisting of 1,000,000 ordinary shares of Baht 100 each. On 25 October 2016, the Company registered the increase in its share capital and the amendment of its memorandum of association with the Ministry of Commerce.

6. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 7 November 2016.