

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



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Financial Group Public Company Limited

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

Scope of Review

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

Conclusion

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

Somjai Khunapasut
Certified Public Accountant (Thailand) No. 4499

EY Office Limited
Bangkok: 7 August 2017

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash		1,011,102	1,149,005	70	70
Interbank and money market items - net		46,118,064	38,067,417	674,561	533,562
Investments - net	3.3, 3.7	7,359,103	7,188,845	809,689	781,885
Investment in subsidiaries and joint venture - net	3.4	506,218	442,750	19,469,104	19,469,082
Loans to customers and accrued interest receivables	3.5, 3.7				
Loans to customers		235,772,780	245,114,243	1,575,800	1,803,100
Accrued interest receivables		506,294	520,704	-	-
Total loans to customers and accrued interest receivables		236,279,074	245,634,947	1,575,800	1,803,100
Less: Deferred revenue		(19,624,263)	(20,180,240)	-	-
Less: Allowance for doubtful accounts	3.6	(8,953,458)	(7,973,890)	-	-
Less: Allowance for loss on debt restructuring	3.6	(9,348)	(9,748)	-	-
Loans to customers and accrued interest receivables - net		207,692,005	217,471,069	1,575,800	1,803,100
Properties foreclosed - net		35,444	7,366	-	-
Investment properties		32,157	32,157	778,245	778,245
Premises and equipment - net		2,628,855	2,652,515	922,889	922,233
Intangible assets - net		518,480	567,053	168,292	196,303
Deferred tax assets		537,837	513,602	136,382	147,654
Securities and derivatives business receivables - net		1,762,097	1,373,757	-	-
Dividend receivable from subsidiaries		-	-	-	2,762,188
Other assets	3.8	2,382,811	1,806,862	201,104	141,969
Total assets		270,584,173	271,272,398	24,736,136	27,536,291

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and equity					
Liabilities					
Deposits	3.9	155,862,256	155,067,524	-	-
Interbank and money market items - net		3,917,813	5,196,603	-	-
Liabilities payable on demand		236,665	180,242	-	-
Derivatives liabilities	3.2	32,735	34,118	-	-
Debts issued and borrowings	3.10	68,130,919	70,328,919	5,500,000	5,930,000
Provision for long-term employee benefits		715,106	576,114	170,468	124,230
Deferred tax liabilities		9,344	2,581	-	-
Securities and derivatives business payables - net		2,160,451	1,510,870	-	-
Accrued interest payable		690,728	753,021	13,706	18,574
Income tax payable		626,745	565,781	-	37,001
Other liabilities	3.11	6,669,422	5,731,082	1,446,803	1,190,304
Total liabilities		239,052,184	239,946,855	7,130,977	7,300,109

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

TISCO Financial Group Public Company Limited and its subsidiaries

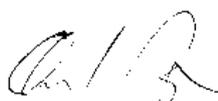
Statement of financial position (continued)

As at 30 June 2017

(Unit: Thousand Baht)

Note	Consolidated financial statements		Separate financial statements	
	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Equity				
Share capital				
Registered				
33,858 preference shares of Baht 10 each	339	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up				
9,859 preference shares of Baht 10 each (31 December 2016: 10,758 preference shares of Baht 10 each)	99	108	99	108
800,645,624 ordinary shares of Baht 10 each (31 December 2016: 800,644,724 ordinary shares of Baht 10 each)	8,006,456	8,006,447	8,006,456	8,006,447
	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium				
Share premium on preference shares	-	-	87	95
Share premium on ordinary shares	1,018,408	1,018,408	7,031,436	7,031,428
	<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
Other components of equity	1,549,095	1,447,136	166,784	104,978
Retained earnings				
Appropriated-statutory reserve	801,000	801,000	801,000	801,000
Unappropriated	20,045,515	19,951,807	1,599,297	4,292,126
Equity attributable to owners of the Company	<u>31,420,573</u>	<u>31,224,906</u>	<u>17,605,159</u>	<u>20,236,182</u>
Non-controlling interests of the subsidiaries	111,416	100,637	-	-
Total equity	<u>31,531,989</u>	<u>31,325,543</u>	<u>17,805,159</u>	<u>20,236,182</u>
Total liabilities and equity	<u>270,584,173</u>	<u>271,272,398</u>	<u>24,736,136</u>	<u>27,536,291</u>

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



Mrs. Oranuch Apisaksirikul
(Chairperson of the Executive Board)



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



Mr. Suthas Ruangmanamongkol
(Group Chief Executive)

(Unaudited but reviewed)

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

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Interest income	3.13	3,928,007	3,991,014	10,786	13,400
Interest expenses	3.14	(1,167,403)	(1,300,398)	(20,409)	(24,354)
Net interest income		2,760,604	2,690,616	(9,623)	(10,954)
Fee and service income		1,349,847	1,237,435	-	-
Fee and service expenses		(53,717)	(52,799)	(3,313)	(3,881)
Net fee and service income	3.15	1,296,130	1,184,636	(3,313)	(3,881)
Net losses on trading and foreign exchange transactions	3.16	(15,788)	(2,238)	(13,650)	(1,682)
Net gains (losses) on investments	3.17	5,015	(2,347)	-	-
Share of profit from investment accounted for under equity method	3.4	35,756	19,954	-	-
Dividend income		7,315	23,084	-	-
Penalty fee income from loans		108,476	90,158	-	-
Income from business promotion relating to the hire purchase business		145,413	67,004	-	-
Intercompany supporting fee income	3.25	-	-	528,530	424,062
Other operating income	3.19, 3.25	32,937	28,369	16,404	16,634
Total operating income		4,375,858	4,099,236	518,348	424,179
Expenses from business promotion relating to the hire purchase business		147,357	70,437	-	-
Total net operating income		4,228,501	4,028,799	518,348	424,179
Operating expenses					
Employee's expenses		1,234,155	1,058,841	280,251	196,439
Directors' remuneration		3,285	3,180	3,285	3,180
Premises and equipment expenses		268,331	232,538	107,457	87,707
Taxes and duties		55,315	52,441	1	1
Other operating expenses	3.20	247,154	258,068	37,550	24,505
Total operating expenses		1,808,240	1,605,068	428,544	311,832
Bad debt, doubtful accounts and impairment losses	3.18	542,124	925,534	-	-
Profit from operating before income tax expenses		1,878,137	1,498,197	89,804	112,347
Income tax expenses	3.21	369,843	289,040	18,218	21,951
Profit for the period		1,508,294	1,209,157	71,586	90,396

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 June 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains on valuation in available-for-sale investments		34,280	21,793	8,112	17,014
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	1,024	2,049	-	-
Income tax effects	3.23	(6,856)	(4,359)	(1,622)	(3,403)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		28,448	19,483	6,490	13,611
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(131,192)	(98,741)	(47,087)	(17,732)
Income tax effects	3.23	26,069	19,718	9,417	3,546
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(105,123)	(79,023)	(37,670)	(14,186)
Other comprehensive income for the period		(76,675)	(59,540)	(31,180)	(575)
Total comprehensive income for the period		1,431,619	1,149,617	40,406	89,821
Profit attributable to					
Equity holders of the Company	3.24	1,505,135	1,207,637	71,586	90,396
Non-controlling interests of the subsidiaries		3,159	1,520		
		<u>1,508,294</u>	<u>1,209,157</u>		
Total comprehensive income attributable to					
Equity holders of the Company		1,428,886	1,149,005	40,406	89,821
Non-controlling interests of the subsidiaries		2,733	612		
		<u>1,431,619</u>	<u>1,149,617</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	1.88	1.51	0.09	0.11

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 six-month period ended 30 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Interest income	3.13	7,853,122	8,057,613	21,079	28,239
Interest expenses	3.14	(2,328,557)	(2,674,800)	(37,766)	(51,508)
Net interest income		5,524,565	5,382,813	(16,687)	(23,269)
Fee and service income		2,861,908	2,576,256	-	-
Fee and service expenses		(114,389)	(110,653)	(6,492)	(7,602)
Net fee and service income	3.15	2,747,519	2,465,603	(6,492)	(7,602)
Net losses on trading and foreign exchange transactions	3.16	(52,154)	(35,900)	(50,385)	(24,140)
Net gains on investments	3.17	30,102	7,202	-	-
Share of profit from investment accounted for under equity method	3.4	63,015	39,489	-	-
Dividend income		38,835	54,304	-	-
Penalty fee income from loans		200,163	183,957	-	-
Income from business promotion relating to the hire purchase business		219,253	149,877	-	-
Intercompany supporting fee income	3.25	-	-	1,017,021	930,156
Other operating income	3.19, 3.25	73,501	58,123	40,334	33,618
Total operating income		8,844,799	8,305,468	983,791	908,763
Expenses from business promotion relating to the hire purchase business		216,097	163,115	-	-
Total net operating income		8,628,702	8,142,353	983,791	908,763
Operating expenses					
Employee's expenses		2,481,897	2,126,620	533,682	499,005
Directors' remuneration		6,200	6,360	6,200	6,360
Premises and equipment expenses		517,387	458,206	210,074	174,997
Taxes and duties		110,507	103,042	1,942	1,624
Other operating expenses	3.20	490,419	477,179	59,841	38,751
Total operating expenses		3,606,410	3,171,407	811,739	720,737
Bad debt, doubtful accounts and impairment losses	3.18	1,294,638	1,907,018	-	-
Profit from operating before income tax expenses		3,727,654	3,063,928	172,052	188,026
Income tax expenses	3.21	720,685	597,922	25,670	37,253
Profit for the period		3,006,969	2,466,006	146,382	150,773

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 six-month period ended 30 June 2017**

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Other comprehensive income	3.22				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gains on valuation in available-for-sale investments		134,355	50,949	78,189	13,665
Share of other comprehensive income of joint venture:					
Cash flow hedges of joint venture	3.4	453	22,845	-	-
Income tax effects	3.23	(27,900)	(10,190)	(15,638)	(2,733)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		106,908	63,604	62,551	10,932
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses		(131,192)	(99,391)	(47,087)	(17,732)
Income tax effects	3.23	26,069	19,807	9,418	3,546
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(105,123)	(79,584)	(37,669)	(14,186)
Other comprehensive income for the period		1,785	(15,980)	24,882	(3,254)
Total comprehensive income for the period		3,008,754	2,450,026	171,264	147,519
Profit attributable to					
Equity holders of the Company	3.24	2,995,899	2,462,670	146,382	150,773
Non-controlling interests of the subsidiaries		11,070	3,336		
		3,006,969	2,466,006		
Total comprehensive income attributable to					
Equity holders of the Company		2,997,954	2,447,773	171,264	147,519
Non-controlling interests of the subsidiaries		10,800	2,253		
		3,008,754	2,450,026		
Earnings per share of equity holders of the Company					
Basic earnings per share	3.24	3.74	3.08	0.18	0.19

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 six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax	3,727,654	3,063,928	172,052	188,026
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	168,829	110,229	65,619	43,529
Share of profit from investment accounted for under equity method	(63,015)	(39,489)	-	-
Bad debts and doubtful accounts	2,314,402	2,935,904	-	-
Allowance for impairment of investments (reversal)	(245)	4,634	-	-
Allowance for impairment of properties foreclosed	177	11,289	-	-
Gains on disposal of investments in securities	(29,627)	(12,414)	-	-
Unrealised losses on foreign exchange transactions and trading derivatives	49,011	31,623	50,385	24,140
Gains on disposal of equipment	(12,932)	(4,656)	(7,594)	(502)
Losses on written-off of equipment	243	207	-	-
Gains on disposal of properties foreclosed	(43,747)	(37,541)	-	-
Employee benefit expenses	12,663	50,586	(18)	6,435
Decrease in accrued income	7,587	15,777	(21,914)	35,683
Increase in accrued expenses	1,070,613	715,196	306,179	295,172
Net interest income	(5,524,565)	(5,382,813)	16,687	23,269
Dividend income	(38,835)	(54,304)	-	-
Cash received on interest income	8,012,457	8,222,335	21,056	28,200
Cash paid on interest expenses	(1,901,470)	(2,292,425)	(42,634)	(64,009)
Cash received on dividend income	38,815	51,991	2,762,189	1,842,237
Cash paid on income tax expenses	(694,684)	(432,218)	(68,337)	(58,659)
Profit from operating activities before changes in operating assets and liabilities	7,093,331	6,957,839	3,253,670	2,363,521
Operating assets (increase) decrease				
Interbank and money market items	(8,050,656)	2,293,063	(140,998)	(256,245)
Loans to customers	6,448,124	3,964,558	227,300	457,800
Securities and derivatives business receivables	(388,340)	(698,056)	-	-
Receivables from clearing house	(682,513)	(1,222,040)	-	-
Properties foreclosed	1,017,621	1,215,142	-	-
Other assets	-177,968	215,477	-37,200	-9,634

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 six-month period ended 30 June 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Operating liabilities increase (decrease)				
Deposits	794,732	(6,342,962)	-	-
Interbank and money market items	(1,278,790)	1,331,235	-	-
Liabilities payable on demand	56,423	(74,120)	-	-
Securities and derivatives business payables	649,581	2,009,535	-	-
Short-term debts issued and borrowings	1,582,000	(22,973,000)	(430,000)	(550,000)
Payable to clearing house	417,964	(96,576)	-	-
Provision for long-term employee benefits	(4,862)	(2,971)	(831)	(560)
Other liabilities	(891,918)	(1,394,023)	(38,963)	(43,625)
Net cash flows from (used in) operating activities	6,584,729	(14,816,899)	2,832,978	1,961,257
Cash flows from investing activities				
Cash paid for purchase of investment in securities held for investment	(4,182,555)	(3,073,533)	-	-
Cash received from disposal of investment in securities held for investment	4,126,116	4,309,241	-	-
Cash paid for purchase of equipment	(75,904)	(80,220)	(35,857)	(32,297)
Cash paid for purchase of intangible assets	(20,938)	(49,616)	(2,406)	(8,872)
Cash received from disposal of equipment	12,936	4,697	7,594	502
Cash paid for purchase of investment in subsidiaries	-	-	(22)	-
Net cash flows from (used in) investing activities	(140,345)	1,110,569	(30,691)	(40,667)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	6,000,000	15,500,000	-	-
Cash paid for redemption of long-term debentures	(9,780,000)	-	-	-
Dividend paid	(2,802,287)	(1,920,590)	(2,802,287)	(1,920,590)
Net cash flows from (used in) financing activities	(6,582,287)	13,579,410	(2,802,287)	(1,920,590)
Net decrease in cash	(137,903)	(126,920)	-	-
Cash at beginning of the period	1,149,005	1,101,291	70	70
Cash at end of the period	1,011,102	974,371	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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
Other components of equity													
Note	Issued and paid-up		Share premium on ordinary shares	Deficit on changes in value of available-for-sale investments	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control under holding restructuring plan	Total other components of equity	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
	Preference shares	Ordinary shares							Appropriated	Unappropriated			
Balance as at 1 January 2016	186	8,006,369	1,018,408	(166,292)	899,244	(30,443)	679,266	1,381,775	709,500	16,979,196	28,095,434	98,895	28,194,329
Dividend paid	4	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)	-	(1,920,590)
Profit for the period	-	-	-	-	-	-	-	-	-	2,462,670	2,462,670	3,336	2,466,006
Other comprehensive income for the period	-	-	-	40,759	-	22,845	-	63,604	-	(78,501)	(14,897)	(1,083)	(15,980)
Total comprehensive income for the period	-	-	-	40,759	-	22,845	-	63,604	-	2,384,169	2,447,773	2,253	2,450,026
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(4,962)	-	-	(4,962)	-	4,962	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(32)	(32)
Preference shares converted to ordinary shares	(77)	77	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2016	109	8,006,446	1,018,408	(125,533)	894,282	(7,598)	679,266	1,440,417	709,500	17,447,737	28,622,617	101,116	28,723,733
Balance as at 1 January 2017	108	8,006,447	1,018,408	(118,382)	889,264	(3,012)	679,266	1,447,136	801,000	19,951,807	31,224,906	100,637	31,325,543
Dividend paid	4	-	-	-	-	-	-	-	-	(2,802,287)	(2,802,287)	-	(2,802,287)
Profit for the period	-	-	-	-	-	-	-	-	-	2,995,899	2,995,899	11,070	3,006,969
Other comprehensive income for the period	-	-	-	106,455	-	453	-	106,908	-	(104,853)	2,055	(270)	1,785
Total comprehensive income for the period	-	-	-	106,455	-	453	-	106,908	-	2,891,046	2,997,954	10,800	3,008,754
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(4,949)	-	-	(4,949)	-	4,949	-	-	-
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(21)	(21)
Preference shares converted to ordinary shares	(9)	9	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2017	99	8,006,456	1,018,408	(11,927)	884,315	(2,559)	679,266	1,549,095	801,000	20,045,515	31,420,573	111,416	31,531,989

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 six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Note	Separate financial statements									
		Issued and paid-up		Share premium		Other components of equity			Retained earnings		Total
		Preference	Ordinary	Preference	Ordinary	Deficit on	Surplus on	Total other	Appropriated	Unappropriated	
		shares	shares	shares	shares	change in value of	revaluation of	components			
				available-for-sale	assets	of equity					
					investments						
Balance as at 1 January 2016		186	8,006,369	163	7,031,360	(133,973)	227,989	94,016	709,500	3,189,180	19,030,774
Dividend paid	4	-	-	-	-	-	-	-	-	(1,920,590)	(1,920,590)
Profit for the period		-	-	-	-	-	-	-	-	150,773	150,773
Other comprehensive income for the period		-	-	-	-	10,932	-	10,932	-	(14,186)	(3,254)
Total comprehensive income for the period		-	-	-	-	10,932	-	10,932	-	136,587	147,519
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(748)	(748)	-	748	-
Preference shares converted to ordinary shares		(77)	77	(67)	67	-	-	-	-	-	-
Balance as at 30 June 2016		109	8,006,446	96	7,031,427	(123,041)	227,241	104,200	709,500	1,405,925	17,257,703
Balance as at 1 January 2017		108	8,006,447	95	7,031,428	(121,509)	226,487	104,978	801,000	4,292,126	20,236,182
Dividend paid	4	-	-	-	-	-	-	-	-	(2,802,287)	(2,802,287)
Profit for the period		-	-	-	-	-	-	-	-	146,382	146,382
Other comprehensive income for the period		-	-	-	-	62,551	-	62,551	-	(37,669)	24,882
Total comprehensive income for the period		-	-	-	-	62,551	-	62,551	-	108,713	171,264
Transfer surplus on revaluation of assets											
to retained earnings		-	-	-	-	-	(745)	(745)	-	745	-
Preference shares converted to ordinary shares		(9)	9	(8)	8	-	-	-	-	-	-
Balance as at 30 June 2017		99	8,006,456	87	7,031,436	(58,958)	225,742	166,784	801,000	1,599,297	17,605,159

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 six-month period ended 30 June 2017

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

1.1 Basis of preparation of interim financial statements

These interim financial statements have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in equity and cash flows in accordance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 21/2558 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 4 December 2015.

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

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

1.2 Basis of interim consolidation

The basis of interim consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2016. During the period, there was no change in the composition of the subsidiaries.

1.3 The separate financial statements

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

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

1.5 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and method of computation as those were used for the financial statements for the year ended 31 December 2016.

2. General information

2.1 The Company's information

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

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 30 June 2017 and 31 December 2016 is provided below.

Company's name	Nature of Business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at	
			30 June 2017	31 December 2016
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Leasing Co., Ltd.	Insurance Broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99
<u>Subsidiaries indirectly held by the Company</u>				
Deutsche TISCO Investment Advisory Co., Ltd.	Securities business	Thailand	51.00	51.00

3.2 Derivatives

The subsidiary company operating banking business entered into interest rate swap agreements and foreign exchange contracts to manage the risk associated with financial assets as follows:

Type of risk	(Unit: Thousand Baht)					
	Consolidated financial statements as at					
	30 June 2017			31 December 2016		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	-	531	61,735	-	-	-
Interest rate	-	32,204	1,200,000	-	34,118	1,200,000
Total	-	32,735	1,261,735	-	34,118	1,200,000

All counterparties of these derivative transactions are financial institutions.

3.3 Investments

3.3.1 Classified by type of investment

	(Unit: Thousand Baht)	
	Consolidated financial statements as at	
	30 June 2017	31 December 2016
Available-for-sale investments - fair value		
Government and state enterprise securities	4,536,954	4,253,685
Private sector debt securities	691,954	870,470
Foreign sector debt securities	412,939	414,163
Domestic marketable equity securities	441,205	405,147
Other securities - domestic unit trusts	29,012	28,870
Other securities - foreign unit trusts	809,689	781,885
Less: Allowance for impairment	(1,460)	(1,460)
Total available-for-sale investments	6,920,293	6,752,760
Held-to-maturity debt securities - cost/amortised cost		
Investment in receivables	13,789	13,559
Less: Allowance for impairment	(13,774)	(13,543)
Total held-to-maturity debt securities	15	16
General investments - cost		
Domestic non-marketable equity securities	485,129	488,479
Less: Allowance for impairment	(46,334)	(52,410)
Total general investments	438,795	436,069
Investments - net	7,359,103	7,188,845
		(Unit: Thousand Baht)
	Separate financial statements as at	
	30 June 2017	31 December 2016
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	809,689	781,885

3.3.2 Classified by remaining year to maturity of the debt securities

(Unit: Million Baht)

	Consolidated financial statements as at							
	30 June 2017				31 December 2016			
	Due within				Due within			
	Less than 1 year	1 - 5 years	Over 5 years	Total	Less than 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments								
Government and state enterprise securities	4,535	-	2	4,537	4,252	-	2	4,254
Private sector debt securities	404	701	-	1,105	182	1,102	-	1,284
Total	4,939	701	2	5,642	4,434	1,102	2	5,538
Less: Allowance for impairment	(1)	-	-	(1)	(1)	-	-	(1)
Total	4,938	701	2	5,641	4,433	1,102	2	5,537
Held-to-maturity debt securities								
Investment in receivables	14	-	-	14	14	-	-	14
Less: Allowance for impairment	(14)	-	-	(14)	(14)	-	-	(14)
Total	-	-	-	-	-	-	-	-
Total debt securities	4,938	701	2	5,641	4,433	1,102	2	5,537

3.3.3 Investments subject to restriction

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 30 June 2017		
	Cost	Fair value	Allowance for changes in value
	Companies having problems with debt repayment or in default	1,460	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements
as at 31 December 2016

	Cost	Fair value	Allowance for
			changes in value
Companies having problems with debt repayment or in default	7,060	-	7,060

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

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at					
	30 June 2017			31 December 2016		
	Book value	Unpaid amounts	Percentage of holding (%)	Book value	Unpaid amounts	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	814	300	10	814	300	10
K Line (Thailand) Co., Ltd.	37,335	-	10	37,335	-	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	331	-	10	331	-	10
PDTL Trading Co., Ltd.	4,275	-	10	4,265	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10	5,382	-	10
Real estate:						
UMI Property Co., Ltd.	3,233	-	10	3,233	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	18,062	-	10	17,622	-	10

3.4 Investment in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements as at		Separate financial statements as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Investment in subsidiaries	-	-	19,395,859	19,395,837
Investment in joint venture	506,218	442,750	73,245	73,245
	506,218	442,750	19,469,104	19,469,082

3.4.1 Investment in subsidiaries

(Unit: Million Baht)

Company's name	Nature of Business	Separate financial statements							
		Type of investment as at		Percentage of holding as at		Investment value - cost method as at		Dividend received for the six-month periods ended	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	30 June 2016
				(%)	(%)				
Subsidiaries directly held by the Company									
TISCO Bank Public Company Limited	Banking	Ordinary shares	Ordinary shares	99.99	99.99	17,641	17,641	-	-
TISCO Securities Co., Ltd.	Securities business	Ordinary shares	Ordinary shares	99.99	99.99	1,075	1,075	-	-
TISCO Asset Management Co., Ltd.	Asset management	Ordinary shares	Ordinary shares	99.99	99.99	110	110	-	-
Hi-Way Co., Ltd.	Hire purchase and retail loan	Preference shares	Preference shares	99.99	99.99	3	3	-	-
		Ordinary shares	Ordinary shares	99.99	99.99	270	270	-	-
TISCO Information Technology Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	22	22	-	-
TISCO Leasing Co., Ltd.	Insurance broker	Ordinary shares	Ordinary shares	99.99	99.99	137	137	-	-
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Ordinary shares	Ordinary shares	99.99	99.99	142	142	-	-
TISCO Learning Center Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	5	5	-	-
All-Ways Co., Ltd.	Services	Ordinary shares	Ordinary shares	99.99	99.99	100	100	-	-
						19,505	19,505	-	-
						(109)	(109)		
						19,396	19,396		
Less: Allowance for impairment						(109)	(109)		
Investment in subsidiaries - net						19,396	19,396		

3.4.2 Investment in joint venture

a) Details of investment in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage as at		Cost as at		Carrying amounts based on equity method as at	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	506,218	442,750

(Unaudited but reviewed)

(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 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(%)	(%)						
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	-	-	73,245	73,245

b) Share of comprehensive income and dividend received

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

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the three-month periods ended 30 June		Share of other comprehensive income from investments in joint venture for the three-month periods ended 30 June		Dividend received for the three-month periods ended 30 June	
	2017	2016	2017	2016	2017	2016
TISCO Tokyo Leasing Co., Ltd.	35,756	19,954	1,024	2,049	-	-

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit/loss from investment in joint venture for the six-month periods ended 30 June		Share of other comprehensive income from investments in joint venture for the six-month periods ended 30 June		Dividend received for the six-month periods ended 30 June	
	2017	2016	2017	2016	2017	2016
TISCO Tokyo Leasing Co., Ltd.	63,015	39,489	453	22,845	-	-

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 June 2017	31 December 2016
Loans to customers		
Loans	71,692,033	72,305,583
Hire purchase receivables	163,929,229	172,549,566
Finance lease receivables	344,295	472,172
Less: Deferred revenue	(19,624,263)	(20,180,240)
Advances received from finance lease receivables	(192,777)	(213,078)
Total loans to customers	216,148,517	224,934,003
Add: Accrued interest receivables	506,294	520,704
Less: Allowance for doubtful accounts	(8,953,458)	(7,973,890)
Less: Allowance for loss on debt restructuring	(9,348)	(9,748)
Loans to customers and accrued interest receivables - net	<u>207,692,005</u>	<u>217,471,069</u>

(Unit: Thousand Baht)

	Separate financial statements as at	
	30 June 2017	31 December 2016
Loans to customers		
Loans	1,575,800	1,803,100
Add: Accrued interest receivables	-	-
Loans to customers and accrued interest receivables - net	<u>1,575,800</u>	<u>1,803,100</u>

3.5.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at					
	30 June 2017			31 December 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	209,898,134	6,250,383	216,148,517	218,744,111	6,189,892	224,934,003
Total loans to customers						
net of deferred revenue	<u>209,898,134</u>	<u>6,250,383</u>	<u>216,148,517</u>	<u>218,744,111</u>	<u>6,189,892</u>	<u>224,934,003</u>

(Unit: Thousand Baht)

	Separate financial statements as at					
	30 June 2017			31 December 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,575,800	-	1,575,800	1,803,100	-	1,803,100
Total loans to customers						
net of deferred revenue	<u>1,575,800</u>	<u>-</u>	<u>1,575,800</u>	<u>1,803,100</u>	<u>-</u>	<u>1,803,100</u>

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

(Unit: Million Baht)

	As at					
	30 June 2017			31 December 2016		
	Net amount			Net amount		
Loans to customers and accrued interest receivables	used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	Loans to customers and accrued interest receivables	used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ^{(1) (2)}	
Provision under BOT's guidelines						
- Pass	192,804	171,357	2,266	200,399	177,089	2,658
- Special mention	15,816	14,340	2,928	16,458	15,567	2,041
- Sub-standard	2,114	2,105	752	2,569	2,534	827
- Doubtful	1,525	1,495	639	1,397	1,384	416
- Doubtful of loss	1,020	919	357	1,155	1,062	273
Allowance established in excess	-	-	1,464	-	-	1,276
Total	213,279	190,216	8,406	221,978	197,636	7,491

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

⁽²⁾ As at 30 June 2017, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor 5/2559 minimum requirement by a total of Baht 4,246 million (As at 31 December 2016: total of Baht 3,158 million). TISCO Bank allocated Baht 2,782 million of the excess provision to specific provision for individual debtors (As at 31 December 2016: total of Baht 1,882 million) and so combined with the minimum provision requirement of Baht 4,160 million (As at 31 December 2016: total of Baht 4,333 million), the total provision set aside in accordance with BOT requirements is Baht 6,942 million (As at 31 December 2016: total of Baht 6,215 million).

Percentage of allowance for doubtful accounts set up (%)

	Loan against auto					
	Hire purchase receivables ⁽¹⁾		license receivables ⁽¹⁾		Other loans ⁽²⁾	
	As at		As at		As at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Pass	0.99	0.80	1.61	1.57	1	1
Special mention	9.05	5.92	16.80	16.80	2	2
Sub-standard	31.51	28.21	35.06	34.57	100	100
Doubtful	38.60	24.19	35.06	34.57	100	100
Doubtful of loss	29.63	22.75	35.06	34.57	100	100

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

⁽²⁾ These percentages are the rates used to set aside allowance for doubtful accounts in accordance with the BOT's minimum requirement.

3.5.4 Hire purchase and finance lease receivables

As at 30 June 2017, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 144,679 million (31 December 2016: Baht 152,906 million) and mostly comprise hire purchase agreements for cars, and finance lease agreements for machines and equipment for business operations. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 30 June 2017					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	55,178	96,423	4,911	7,762	164,274
Less: Deferred revenue ⁽¹⁾	(7,216)	(8,696)	(103)	(3,388)	(19,403)
Advances received from finance lease receivables	(97)	(92)	-	(3)	(192)
Present value of minimum lease pay from agreements	47,865	87,635	4,808	4,371	144,679
Allowance for doubtful accounts ⁽²⁾					(4,134)
Net hire purchase and finance lease receivables					140,545

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

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2016					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non-performing loans	Total
Gross investment in the agreements	58,191	101,931	4,783	8,117	173,022
Less: Deferred revenue ⁽¹⁾	(7,534)	(8,981)	(163)	(3,225)	(19,903)
Advances received from finance lease receivables	(89)	(121)	-	(3)	(213)
Present value of minimum lease pay from agreements	50,568	92,829	4,620	4,889	152,906
Allowance for doubtful accounts ⁽²⁾					(3,427)
Net hire purchase and finance lease receivables					149,479

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

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

(Unaudited but reviewed)

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

(Unit: Million Baht)

TISCO Bank	Amounts calculated under BOT's guidelines ⁽²⁾		Amounts calculated under TISCO Bank's policy	
	as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾	6,185	6,573	6,974	7,395

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

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

(Unit: Million Baht)

Other subsidiaries	As at	
	30 June 2017	31 December 2016
Hire purchase receivables, finance lease receivables and other loans and receivables for which the recognition of interest income has been ceased	598	650

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

(Unit: Million Baht)

Deferred revenue ⁽¹⁾	Consolidated financial statements as at	
	30 June 2017	31 December 2016
	19,624	20,180

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

3.5.7 Troubled debt restructuring of a subsidiary company operating banking business

	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Debtors restructured during the period				
Number of debtors restructured by modification of terms (number)	1,099	1,356	2,169	3,449
Loan balances before restructuring (Million Baht)	359	382	691	954
Loan balances after restructuring (Million Baht)	361	385	695	963
Loss on troubled debt restructuring (Million Baht)	-	-	-	-
Average contract period of debt restructuring (years)				
Hire purchase receivables	4	5	4	5
Mortgage loan receivables	-	2	4	2
Loan against auto license receivables	4	4	4	4

Supplemental information for the three-month and six-month periods ended 30 June 2017 and 2016 relating to the restructured debts is as follows:

	(Unit: Million Baht)			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Interest income on restructured receivables	91	85	187	168
Receipt of principal and interest	348	237	708	471

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

	(Unit: Million Baht)			
	As at			
	30 June 2017		31 December 2016	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
The balance of the restructured debts	17,649	5,169	16,638	5,286

3.6 Allowance for doubtful accounts/allowance for loss on debt restructuring

3.6.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2017							
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of period	2,775,661	2,123,183	935,111	494,702	369,707	1,275,526	7,973,890
Increase (decrease) in allowance for doubtful accounts during the period	(395,186)	889,882	(17,357)	775,239	773,825	285,398	2,311,801
Bad debt written-off	(422)	(10,186)	(69,824)	(561,149)	(690,652)	-	(1,332,233)
Balance - end of period	<u>2,380,053</u>	<u>3,002,879</u>	<u>847,930</u>	<u>708,792</u>	<u>452,880</u>	<u>1,560,924</u>	<u>8,953,458</u>

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Consolidated financial statements as at 30 June 2017				
	Individual impairment	Collective impairment	Allowance established in excess	Total
Balance - beginning of period	2,630,677	4,067,687	1,275,526	7,973,890
Increase in allowance for doubtful accounts during the period	128,783	1,897,620	285,398	2,311,801
Bad debt written-off	(103,096)	(1,229,137)	-	(1,332,233)
Balance - end of period	<u>2,656,364</u>	<u>4,736,170</u>	<u>1,560,924</u>	<u>8,953,458</u>

(Unit: Thousand Baht)

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidate financial statement as at	
	30 June 2017	31 December 2016
Balance - beginning of period/year	9,748	-
Increase during the period/year	-	9,748
Amortisation during period/year	(400)	-
Balance - end of period/year	<u>9,348</u>	<u>9,748</u>

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

(Unit: Million Baht)

	As at	
	30 June 2017	31 December 2016
Non-performing loans to customers	4,659	5,121
Allowance for doubtful accounts ⁽¹⁾	1,748	1,516

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

3.7 Classification of assets

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

(Unit: Million Baht)

	Cost as at		Fair value as at		Allowance for possible loss provided in the accounts as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	Debt securities - debentures ⁽¹⁾	1	1	-	-	1
Equity securities - ordinary shares ⁽²⁾	-	6	-	-	-	6

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

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

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

As at 30 June 2017 and 31 December 2016, the quality of assets of a subsidiary company operating banking business classified in accordance with the Bank of Thailand's guidelines is as follows:

	(Unit: Million Baht)									
	Loans to customers ⁽¹⁾		Investments in securities		Investments in receivables		Properties foreclosed		Total	
	as at		as at		as at		as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Pass	235,851	235,147	-	-	-	-	-	-	235,851	235,147
Special mention	15,649	16,277	-	-	-	-	-	-	15,649	16,277
Sub-standard	2,114	2,569	-	-	-	-	-	-	2,114	2,569
Doubtful	1,525	1,397	-	-	-	-	-	-	1,525	1,397
Doubtful of loss	1,020	1,155	48	54	14	14	12	12	1,094	1,235
Total	256,159	256,545	48	54	14	14	12	12	256,233	256,625

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

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

3.7.3.1 Hire purchase receivables

	(Unit: Million Baht)							
	Debt balance		Net amount used for setting up allowance for doubtful accounts ⁽¹⁾		Percentage of allowance for doubtful account setup ⁽²⁾		Allowance for doubtful accounts ⁽³⁾	
	as at		as at		as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
					(%)	(%)		
Pass	125,325	131,798	125,325	131,798	0.99	0.80	1,238	1,052
Special mention	12,191	13,434	12,191	13,434	9.05	5.92	1,103	795
Sub-standard	1,716	2,134	1,716	2,134	31.51	28.21	541	602
Doubtful	1,286	1,168	1,286	1,168	38.60	24.19	496	283
Doubtful of loss	852	1,017	852	1,017	29.63	22.75	252	231
Total	141,370	149,551	141,370	149,551			3,630	2,963

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

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

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

3.7.3.2 Loan against auto license receivables

(Unit: Million Baht)

	Debt balance		Net amount used for setting the allowance for doubtful accounts		Percentage of allowance for doubtful account setup ⁽¹⁾		Allowance for doubtful accounts ⁽²⁾	
	as at		as at		as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
					(%)	(%)		
Pass	17,864	16,665	17,864	16,665	1.61	1.57	287	261
Special mention	1,554	1,527	1,554	1,527	16.80	16.80	261	257
Sub-standard	275	269	275	269	35.06	34.57	96	93
Doubtful	120	125	120	125	35.06	34.57	42	43
Doubtful of loss	18	9	18	9	35.06	34.57	6	3
Total	19,831	18,595	19,831	18,595			692	657

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

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

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

(Unit: Million Baht)

	Debt balance		Allowance for doubtful accounts		General reserve		Debt balance - net	
	as at		as at		as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Pass	2,347	2,365	114	117	39	-	2,194	2,248
Special mention	453	486	75	82	34	-	344	404
Sub-standard	181	206	96	109	1	-	84	97
Doubtful	132	149	70	78	1	-	61	71
Doubtful of loss	227	234	96	97	22	-	109	137
Total	3,340	3,440	451	483	97	-	2,792	2,957

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

	Number of debtors as at		Debt balance as at		Collateral value as at		Allowance for doubtful accounts provided in the accounts ⁽²⁾ as at	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2017	2016	2017	2016	2017	2016	2017	2016
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies vulnerable to delisting from the SET ⁽¹⁾	1	1	789	821	656	656	789 ⁽³⁾	821 ⁽³⁾
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	2	4	321	577	41	249	4	7
3. Listed companies under rehabilitation	-	-	-	-	-	-	-	-
4. Companies whose auditor's report cited going concern issues	-	-	-	-	-	-	-	-
Total	3	5	1,110	1,398	697	905	793	828

⁽¹⁾ The Company is currently under rehabilitation.

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

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

3.8 Other assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Receivable from clearing house	827,521	145,009	-	-
Value added tax - net	259,957	378,538	3,886	4,335
Accrued interest receivables	15,567	14,474	-	-
Fee and service receivables	260,527	268,114	128,362	106,448
Refundable income tax and prepaid income tax	44,652	33,050	10,718	-
Deposits	60,174	58,350	2,119	2,119
Other receivables	508,084	552,740	-	-
Other assets	406,329	356,587	56,019	29,067
Total other assets	2,382,811	1,806,862	201,104	141,969

3.9 Deposits

3.9.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2017	31 December 2016
Deposits		
Current accounts	2,586,685	3,690,699
Saving accounts	52,787,043	51,928,032
Fixed accounts		
- not over 6 months	6,909,571	7,606,080
- over 6 months but not over 1 year	13,373,125	6,994,920
- over 1 year	191,904	238,889
Certificates of deposit/negotiable certificates of deposit	80,013,928	84,608,904
Total	155,862,256	155,067,524

3.9.2 Classified by remaining period of contract

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2017	31 December 2016
Not over 1 year ⁽¹⁾	155,591,079	154,747,368
Over 1 year	271,177	320,156
Total deposits	155,862,256	155,067,524

⁽¹⁾ Including fully-mature deposit contracts

3.9.3 As at 30 June 2017 and 31 December 2016, all outstanding deposits are deposits from domestic depositors and in Baht.

3.10 Debt issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	7,323,000	7,323,000	-	-
Unsubordinated unsecured debentures	55,271,000	57,039,000	-	-
Bills of exchange	5,536,122	5,966,122	5,500,000	5,930,000
Promissory notes	797	797	-	-
Total	68,130,919	70,328,919	5,500,000	5,930,000

3.10.1 Subordinated unsecured debentures

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

Issued year	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
	30 June 2017	31 December 2016		30 June 2017	31 December 2016		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2012	-	1.00	1,000	-	1,000	2022	4.85 percent per annum
2012	1.24	1.24	1,000	1,243	1,243	2022	4.60 percent per annum
2014	1.60	1.60	1,000	1,600	1,600	2024	6.00 percent per annum
2014	0.80	0.80	1,000	800	800	2024	6.00 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.50 percent per annum
2015	1.00	1.00	1,000	1,000	1,000	2025	4.25 percent per annum
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	-	1,000	1,000	-	2027	4.0 percent per annum
Total				<u>7,323</u>	<u>7,323</u>		

3.10.2 Unsubordinated unsecured debentures

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

Issued year	Type of debentures	Units as at		Face value per unit (Baht)	Balance as at		Maturity in the year	Interest rate
		30 June 2017	31 December 2016		30 June 2017	31 December 2016		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2015	Long-term debenture	6.90	15.68	1,000	6,900	15,680	2017	2.00 percent per annum
2016	Short-term debenture	-	16.859	1,000	-	16,859	2017	1.50 - 1.71 percent per annum
2016	Long-term debenture	5.50	5.50	1,000	5,500	5,500	2018	1.95 - 2.00 percent per annum
2016	Long-term debenture	10.00	10.00	1,000	10,000	10,000	2019	1.85 - 1.95 percent per annum
2016	Short-term debenture	9.00	9.00	1,000	9,000	9,000	2017	1.75 - 1.80 percent per annum
2017	Short-term debenture	11.211	-	1,000	11,211	-	2017	1.52 - 1.70 percent per annum
2017	Short-term debenture	7.50	-	1,000	7,500	-	2018	1.75 - 1.80 percent per annum
2017	Short-term debenture	0.16	-	1,000	160	-	2018	1.55 percent per annum
2017	Long-term debenture	5.00	-	1,000	5,000	-	2018	1.85 percent per annum
Total					<u>55,271</u>	<u>57,039</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 2017.

3.11 Other liabilities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at		as at	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Payable to clearing house	417,964	-	-	-
Withholding income tax and other tax payable	179,358	477,710	13,641	63,324
Accrued insurance premium	585,229	714,434	-	-
Deferred income	1,011,783	1,066,171	-	-
Accrued expenses	3,808,228	2,737,615	1,433,077	1,126,897
Suspense creditors	332,746	390,459	-	-
Other liabilities	334,114	344,693	85	83
Total other liabilities	6,669,422	5,731,082	1,446,803	1,190,304

The above accrued expenses included accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses included costs of annual bonus that are determined with reference to the Company's share price, paid to employees whose performance impacts the Company's operating results, as an incentive to work effectively and to build loyalty to the Company. This vested bonus is set aside for payment five years later. It is paid in cash and determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 30 June 2017 and 31 December 2016, the Company and its subsidiaries have issued bonus under this scheme amounting to Baht 861 million and Baht 758 million, respectively (the Company only: Baht 504 million and Baht 390 million, respectively).

3.12 Capital funds

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

(Unaudited but reviewed)

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

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

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

(Unit: Thousand Baht)

	As at	
	30 June 2017	31 December 2016
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	8,006,456	8,006,447
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	709,500
Net profits after appropriation	17,149,512	15,729,622
Other components of equity	1,545,183	1,439,760
Less: Deductions from Common Equity Tier I items	(1,048,850)	(955,206)
Total Common Equity Tier I capital	27,471,709	25,948,531
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	99	108
Total Tier I capital	27,471,808	25,948,639
<u>Tier II capital</u>		
Long-term subordinated debentures	7,323,000	7,323,000
Surplus of provision	839,691	804,086
Reserve for loans classified as pass	468,734	512,063
Total Tier II capital	8,631,425	8,639,149
Total capital funds	36,103,233	34,587,788

(Unit: Percent)

Capital fund ratios	As at			
	30 June 2017		31 December 2016	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	14.83	5.75	13.77	5.125
Tier I capital to risk assets	14.83	7.25	13.77	6.625
Total capital to risk assets	19.48	9.75	18.36	9.125

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

	(Unit: Thousand Baht)	
	As at	
	30 June 2017	31 December 2016
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	14,474,972	13,501,650
Other components of equity	222,183	218,920
Less: Deductions from Common Equity Tier I items	(550,738)	(481,432)
Total Common Equity Tier I capital	26,889,117	25,981,838
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	26,889,118	25,981,839
<u>Tier II Capital</u>		
Long-term subordinated debentures	7,323,000	7,323,000
Surplus of provision	825,064	789,422
Reserve for loans classified as pass	349,927	447,354
Total Tier II capital	8,497,991	8,559,776
Total capital funds	35,387,109	34,541,615

(Unit: Percent)

	As at			
	30 June 2017		31 December 2016	
Capital fund ratios	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	15.57	5.75	14.73	5.125
Tier I capital to risk assets	15.57	7.25	14.73	6.625
Total capital to risk assets	20.49	9.75	19.59	9.125

3.12.3 To comply with the Notification of the Bank of Thailand No. Sor Nor Sor. 5/2556 regarding "Public Disclosure of Capital Maintenance for Financial Business Group" the Company has disclosed capital maintenance information of financial business group as at 31 December 2016 on its website on 28 April 2017.

3.13 Interest income

Interest income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Interbank and money market items	139,251	133,452	258,484	273,966
Investments in debt securities	51,523	43,925	103,005	89,470
Loans to customers	1,475,987	1,347,443	2,920,467	2,700,137
Hire purchase and finance lease	2,261,246	2,466,194	4,571,166	4,994,040
Total interest income	3,928,007	3,991,014	7,853,122	8,057,613

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Interbank and money market items	1,980	1,725	3,397	3,486
Loans to customers	8,806	11,675	17,682	24,753
Total interest income	10,786	13,400	21,079	28,239

3.14 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Deposits	560,927	619,550	1,119,622	1,296,513
Interbank and money market items	6,649	45,072	16,676	85,696
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	246,884	255,481	490,113	520,022
Issued debt instruments				
- Subordinated debentures	88,640	84,064	179,149	168,127
- Unsubordinated debentures	238,682	271,586	476,144	552,479
Borrowings	25,621	24,645	46,853	51,963
Total interest expenses	<u>1,167,403</u>	<u>1,300,398</u>	<u>2,328,557</u>	<u>2,674,800</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Borrowings	20,409	24,354	37,766	51,508
Total interest expenses	<u>20,409</u>	<u>24,354</u>	<u>37,766</u>	<u>51,508</u>

3.15 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Fee and service income				
- Acceptance, aval and guarantees	2,714	2,612	4,651	5,185
- Insurance service	600,993	561,254	1,237,814	1,202,180
- Brokerage fees	180,408	187,606	393,517	380,545
- Fund management	264,294	225,833	509,172	442,182
- Financial advisory	3,232	8,300	9,232	18,288
- Underwriting fee	15,327	108	128,846	21,453
- Others	282,879	251,722	578,676	506,423
Total fee and service income	1,349,847	1,237,435	2,861,908	2,576,256
Fee and service expenses				
- Information service expenses	(6,405)	(6,649)	(12,754)	(13,202)
- Others	(47,312)	(46,150)	(101,635)	(97,451)
Total fee and service expenses	(53,717)	(52,799)	(114,389)	(110,653)
Net fee and service income	1,296,130	1,184,636	2,747,519	2,465,603

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Fee and service income	-	-	-	-
Fee and service expenses	(3,313)	(3,881)	(6,492)	(7,602)
Net fee and service income	(3,313)	(3,881)	(6,492)	(7,602)

3.16 Net losses on trading and foreign exchange transactions

Net losses on trading and foreign exchange transactions in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Gains (losses) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	(14,182)	(1,676)	(50,925)	(24,131)
- Derivatives on interest rates	(3,726)	(2,295)	(6,183)	(15,075)
- Debt securities	2,120	1,733	4,954	3,306
Net losses on trading and foreign exchange transactions	<u>(15,788)</u>	<u>(2,238)</u>	<u>(52,154)</u>	<u>(35,900)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Losses on trading and foreign exchange transactions				
- Foreign currencies	(13,650)	(1,682)	(50,385)	(24,140)
Net losses on trading and foreign exchange transactions	<u>(13,650)</u>	<u>(1,682)</u>	<u>(50,385)</u>	<u>(24,140)</u>

3.17 Net gains (losses) on investments

Net gains (losses) on investments in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Gains (losses) on disposal				
- Available-for-sale investments	(3)	-	22,458	7,034
- General investments	4,542	2,865	7,168	5,380
Total	4,539	2,865	29,626	12,414
Reversal allowance (losses) on impairment				
- General investments	476	(5,212)	476	(5,212)
Total	476	(5,212)	476	(5,212)
Net gains (losses) on investments	5,015	(2,347)	30,102	7,202

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 six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Interbank and money market items	3,000	-	3,000	-
Held-to-maturity debt securities	17	(462)	231	(578)
Loans to customers	539,107	925,996	1,291,407	1,907,596
Total	542,124	925,534	1,294,638	1,907,018

3.19 Other operating income

Other operating income in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Gains on disposal of properties foreclosed	22,390	18,605	43,747	37,541
Others	10,547	9,764	29,754	20,582
Total	32,937	28,369	73,501	58,123

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Rental income	16,064	16,173	32,029	32,275
Others	340	461	8,305	1,343
Total	16,404	16,634	40,334	33,618

3.20 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month and six-month periods ended 30 June 2017 and 2016 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Mailing expenses	13,946	13,508	32,775	32,151
Software amortisation expenses	36,161	11,638	71,776	23,174
Legal expenses	66,351	91,199	145,548	175,819
Transportation expenses	21,014	24,193	45,668	45,236
Repossession and selling expenses of repossessed assets	25,098	26,029	52,630	53,069
Advertising expenses	26,191	24,734	47,262	43,342
Others	58,393	66,767	94,760	104,388
Total	247,154	258,068	490,419	477,179

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Mailing expenses	37	26	117	144
Software amortisation expenses	15,309	6,848	30,418	14,141
Transportation expenses	2,155	2,147	4,226	3,943
Others	20,049	15,484	25,080	20,523
Total	37,550	24,505	59,841	38,751

3.21 Income tax expenses

Income tax expenses of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2017 and 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2017	2016	2017	2016
Current income tax:				
Income tax expenses for the period	253,918	349,437	740,211	740,550
Adjustment in respect of current income tax of previous year	-	10	-	(31)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	115,925	(60,407)	(19,526)	(142,597)
Income tax expenses reported in the statement of comprehensive income	369,843	289,040	720,685	597,922

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Current income tax:				
Income tax expenses for the period	15,545	20,095	20,618	33,223
Adjustment in respect of current income tax of previous year	-	-	-	(41)
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	2,673	1,856	5,052	4,071
Income tax expenses reported in the statement of comprehensive income	18,218	21,951	25,670	37,253

3.22 Components of other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Other comprehensive income				
Available-for-sale investments:				
Gains during the period	34,277	21,793	156,814	57,983
Add (less): Reclassification adjustments for (gains) losses included in profit or loss	3	-	(22,459)	(7,034)
	34,280	21,793	134,355	50,949
Actuarial losses	(131,192)	(98,741)	(131,192)	(99,391)
Share of other comprehensive income of joint venture:				
Cash flow hedges of joint venture	1,024	2,049	453	22,845
Other comprehensive income	(95,888)	(74,899)	3,616	(25,597)
Income tax effects relating to components of other comprehensive income	19,213	15,359	(1,831)	9,617
Net other comprehensive income for the period	(76,675)	(59,540)	1,785	(15,980)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Other comprehensive income				
Available-for-sale investments:				
Gains during the period	8,112	17,014	78,189	13,665
Actuarial losses	(47,087)	(17,732)	(47,087)	(17,732)
Other comprehensive income	(38,975)	(718)	31,102	(4,067)
Income tax effects relating to components of other comprehensive income	7,795	143	(6,220)	813
Net other comprehensive income for the period	(31,180)	(575)	24,882	(3,254)

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 June					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	34,280	(6,856)	27,424	21,793	(4,359)	17,434
Actuarial losses	(131,192)	26,069	(105,123)	(98,741)	19,718	(79,023)
	(96,912)	19,213	(77,699)	(76,948)	15,359	(61,589)

(Unit: Thousand Baht)

	Consolidated financial statements					
	For the six-month periods ended 30 June					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	134,355	(27,900)	106,455	50,949	(10,190)	40,759
Actuarial losses	(131,192)	26,069	(105,123)	(99,391)	19,807	(79,584)
	3,163	(1,831)	1,332	(48,442)	9,617	(38,825)

(Unit: Thousand Baht)

	Separate financial statements					
	For the three-month periods ended 30 June					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	8,112	(1,622)	6,490	17,014	(3,403)	13,611
Actuarial losses	(47,087)	9,417	(37,670)	(17,732)	3,546	(14,186)
	<u>(38,975)</u>	<u>7,795</u>	<u>(31,180)</u>	<u>(718)</u>	<u>143</u>	<u>(575)</u>

(Unit: Thousand Baht)

	Separate financial statements					
	For the six-month periods ended 30 June					
	2017			2016		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
Gains on valuation in available-for-sale investments	78,189	(15,638)	62,551	13,665	(2,733)	10,932
Actuarial losses	(47,087)	9,418	(37,669)	(17,732)	3,546	(14,186)
	<u>31,102</u>	<u>(6,220)</u>	<u>24,882</u>	<u>(4,067)</u>	<u>813</u>	<u>(3,254)</u>

3.24 Earnings per share

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

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
	Profit attributable to equity holders of the Company (Thousand Baht)	1,505,135	1,207,637	2,995,899
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	1.88	1.51	3.74	3.08

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Profit attributable to equity holders of the Company (Thousand Baht)	71,586	90,396	146,382	150,773
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Earnings per share (Baht/share)	0.09	0.11	0.18	0.19

3.25 Related party transactions

The relationships between the Company and its related parties.

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	30 June 2017	31 December 2016
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items (Assets):		
TISCO Bank Public Company Limited	674,561	533,562
Dividend receivables:		
TISCO Bank Public Company Limited	-	2,027,194
TISCO Asset Management Co., Ltd.	-	459,997
TISCO Securities Co., Ltd.	-	110,000
Hi-Way Co., Ltd.	-	100,000
TISCO Information Technology Co., Ltd.	-	24,999
TISCO Leasing Co., Ltd.	-	19,999
TISCO Learning Center Co., Ltd.	-	19,999
Other assets:		
TISCO Bank Public Company Limited	126,534	106,460
TISCO Learning Center Co., Ltd.	1,828	238
Other liabilities:		
TISCO Learning Center Co., Ltd.	688	1,539
TISCO Bank Public Company Limited	250	-
TISCO Securities Co., Ltd.	174	-

Loans to related companies

As at 30 June 2017 and 1 January 2017, the balances of loans between the Company and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	As at			As at
	1 January 2017	Increase	Decrease	30 June 2017
Subsidiary companies				
Loans to customers:				
Hi-Way Co., Ltd.	1,470,000	-	(5,000)	1,465,000
TISCO Leasing Co., Ltd.	333,100	-	(222,300)	110,800

(Unit: Thousand Baht)

	For the three-month		For the six-month		Terms and pricing policy
	periods ended 30 June		periods ended 30 June		
	2017	2016	2017	2016	
Transactions occurred during the periods					
(Eliminated from the consolidated financial statements)					
Subsidiary companies					
Risk and financial management fee income, human resources management fee income and office administration fee income	528,530	424,062	1,017,021	930,156	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Interest income	10,750	13,400	21,043	28,239	With reference to the terms and prices as offered to other customers
Rental income	15,787	15,921	31,486	31,779	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	43,750	40,750	87,500	81,500	Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand
Training expenses	954	976	2,171	1,567	With reference to the prices as offered from other service providers
Other expenses	424	506	994	1,085	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 June 2017	31 December 2016
Loans ⁽¹⁾	17,843	18,744

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2017	31 December 2016
Deposits	254,612	178,804

Directors and management's benefits

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

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2017	2016	2017	2016
Short-term benefits	60	62	117	121
Post-employment benefits	11	10	20	20
Total	71	72	137	141

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the six-month periods ended	
	ended 30 June		30 June	
	2017	2016	2017	2016
Short-term benefits	42	40	83	78
Post-employment benefits	7	6	13	12
Total	49	46	96	90

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 six-month periods ended 30 June 2017 and 2016, respectively.

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 30 June 2017							
Revenue							
External customers	3,857	202	319	(2)	4,376	-	4,376
Inter-segment	45	58	1	657	761	(761)	-
Total revenue	3,902	260	320	655	5,137	(761)	4,376
Operating results:							
Net interest income	2,764	5	1	(9)	2,761	-	2,761
Net fee and service income	846	254	315	133	1,548	(252)	1,296
Other operating income	292	1	4	531	828	(509)	319
Total operating income	3,902	260	320	655	5,137	(761)	4,376
Premises and equipment expenses and amortisation	(272)	(18)	(7)	(142)	(439)	134	(305)
Other operating expenses	(1,559)	(213)	(118)	(419)	(2,309)	658	(1,651)
Bad debt, doubtful accounts and impairment losses	(542)	-	-	-	(542)	-	(542)
Total operating expenses	(2,373)	(231)	(125)	(561)	(3,290)	792	(2,498)
Segment profit	1,529	29	195	94	1,847	31	1,878
Income tax expenses							(370)
Non-controlling interests of the subsidiaries							(3)
Profit for the period - equity holders of the Company							1,505

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the six-month period ended 30 June 2017							
Revenue							
External customers	7,682	555	628	(20)	8,845	-	8,845
Inter-segment	86	129	1	1,259	1,475	(1,475)	-
Total revenue	<u>7,768</u>	<u>684</u>	<u>629</u>	<u>1,239</u>	<u>10,320</u>	<u>(1,475)</u>	<u>8,845</u>
Operating results:							
Net interest income	5,528	9	3	(15)	5,525	-	5,525
Net fee and service income	1,719	653	621	247	3,240	(493)	2,747
Other operating income	521	22	5	1,007	1,555	(982)	573
Total operating income	<u>7,768</u>	<u>684</u>	<u>629</u>	<u>1,239</u>	<u>10,320</u>	<u>(1,475)</u>	<u>8,845</u>
Premises and equipment expenses and amortisation	(512)	(42)	(14)	(278)	(846)	257	(589)
Other operating expenses	(3,029)	(464)	(237)	(782)	(4,512)	1,279	(3,233)
Bad debt, doubtful accounts and impairment losses	(1,295)	-	-	-	(1,295)	-	(1,295)
Total operating expenses	<u>(4,836)</u>	<u>(506)</u>	<u>(251)</u>	<u>(1,060)</u>	<u>(6,653)</u>	<u>1,536</u>	<u>(5,117)</u>
Segment profit	2,932	178	378	179	3,667	61	3,728
Income tax expenses							(721)
Non-controlling interests of the subsidiaries							(11)
Profit for the period - equity holders of the Company							<u>2,996</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the three-month period ended 30 June 2016							
Revenue							
External customers	3,659	192	258	(9)	4,100	-	4,100
Inter-segment	27	57	-	557	641	(641)	-
Total revenue	3,686	249	258	548	4,741	(641)	4,100
Operating results:							
Net interest income	2,697	3	1	(10)	2,691	-	2,691
Net fee and service income	787	244	255	118	1,404	(219)	1,185
Other operating income	202	2	2	440	646	(422)	224
Total operating income	3,686	249	258	548	4,741	(641)	4,100
Premises and equipment expenses and amortisation	(216)	(24)	(7)	(114)	(361)	116	(245)
Other operating expenses	(1,337)	(222)	(112)	(302)	(1,973)	542	(1,431)
Bad debt, doubtful accounts and impairment losses	(926)	-	-	-	(926)	-	(926)
Total operating expenses	(2,479)	(246)	(119)	(416)	(3,260)	658	(2,602)
Segment profit	1,207	3	139	132	1,481	17	1,498
Income tax expenses							(289)
Non-controlling interests of the subsidiaries							(1)
Profit for the period - equity holders of the Company							1,208

(Unaudited but reviewed)

	(Unit: Million Baht)						
	Commercial banking business	Securities business	Asset management business	Support business	Total segments	Adjustments and eliminations	Consolidated financial statement
For the six-month period ended							
30 June 2016							
Revenue							
External customers	7,422	416	512	(44)	8,306	-	8,306
Inter-segment	50	113	-	1,188	1,351	(1,351)	-
Total revenue	7,472	529	512	1,144	9,657	(1,351)	8,306
Operating results:							
Net interest income	5,396	6	3	(22)	5,383	-	5,383
Net fee and service income	1,644	516	506	226	2,892	(426)	2,466
Other operating income	432	7	3	940	1,382	(925)	457
Total operating income	7,472	529	512	1,144	9,657	(1,351)	8,306
Premises and equipment expenses and amortisation	(430)	(43)	(13)	(227)	(713)	231	(482)
Other operating expenses	(2,635)	(438)	(232)	(701)	(4,006)	1,153	(2,853)
Bad debt, doubtful accounts and impairment losses	(1,907)	-	-	-	(1,907)	-	(1,907)
Total operating expenses	(4,972)	(481)	(245)	(928)	(6,626)	1,384	(5,242)
Segment profit	2,500	48	267	216	3,031	33	3,064
Income tax expenses							(598)
Non-controlling interests of the subsidiaries							(3)
Profit for the period - equity holders of the Company							2,463

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 six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries did not have income from any clients amounting to or over 10 percent of their income.

3.27 Commitments and contingent liabilities

3.27.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at	
	30 June 2017	31 December 2016
Avals	-	268,042
Other guarantees	720,203	728,146
Undrawn client overdraft facilities	30,000	30,000
Interest rate swap agreements	1,200,000	1,200,000
Foreign exchange contracts	61,735	-
Others	6,606,776	6,559,395
Total	8,618,714	8,785,583

3.27.2 Litigation

As at 30 June 2017 and 31 December 2016, the subsidiaries have been sued for compensation totaling approximately Baht 279 million and Baht 312 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Company and its subsidiaries believe that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.27.3 Other commitments

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

As at 30 June 2017 and 31 December 2016, the subsidiary companies have future minimum lease payments required under these non-cancellable operating lease contracts as follows:

	(Unit: Million Baht)	
	As at	
	30 June 2017	31 December 2016
Payable within:		
Not over 1 year	142	164
Over 1 to 5 years	146	150
Over 5 years	41	46

3.28 Fair value of financial instruments

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

Fair value hierarchy

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

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

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

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

(Unaudited but reviewed)

As of 30 June 2017 and 31 December 2016, the Company and its subsidiaries have the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements as at 30 June 2017				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	441	441	-	-	441
Debt securities	5,642	-	5,642	-	5,642
Unit trusts	839	810	29	-	839
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	32	-	32	-	32
Foreign exchange contracts	1	-	1	-	1

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2016				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Equity securities	405	405	-	-	405
Debt securities	5,538	-	5,538	-	5,538
Unit trusts	811	782	29	-	811
Financial liabilities measured at fair value					
Derivatives					
Interest rate swap agreements	34	-	34	-	34

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements as at 30 June 2017

	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	810	810	-	-	810

(Unit: Million Baht)

Separate financial statements as at 31 December 2016

	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	782	782	-	-	782

Valuation techniques and inputs to Level 2 and Level 3 valuations

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

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

4. Dividend payment

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

5. Events after the reporting period

As at 12 July 2017, the Extraordinary Shareholders' Meeting No.1/2017 of TISCO Leasing Co., Ltd. ("the subsidiary company") passed a resolution approving the change of its name from "TISCO Leasing Co., Ltd." to "TISCO Insurance Solution Co., Ltd.", and this subsidiary company registered the name change with the Ministry of Commerce on 18 July 2017.

6. Approval of interim financial statements

These interim financial statements were approved by the Company's Audit Committee on 7 August 2017.