

TISCO Bank Public Company Limited
Report and interim financial statements
For the three-month period ended
31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statements of financial position of TISCO Bank Public Company Limited as at 31 March 2014, the related statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements. 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*.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 7 May 2014

TISCO Bank Public Company Limited**Statement of financial position****As at 31 March 2014**

(Unit: Thousand Baht)

| Note | 31 March 2014 (Unaudited but reviewed) | 31 December 2013 (Audited) |
|---|--|-------------------------------|
| Assets | | |
| Cash | 1,086,500 | 1,130,135 |
| Interbank and money market items - net | 28,662,237 | 52,777,951 |
| Derivative assets | 3.1 11,055 | 28,220 |
| Investments - net | 3.2, 3.5 14,898,066 | 10,029,363 |
| Loans to customers and accrued interest receivables | 3.3, 3.5 | |
| Loans to customers | 298,685,615 | 307,220,484 |
| Accrued interest receivables | 374,444 | 493,055 |
| Total loans to customers and accrued interest receivables | 299,060,059 | 307,713,539 |
| Less: Deferred revenue | (25,105,172) | (26,394,058) |
| Less: Allowance for doubtful accounts | 3.4 (5,920,238) | (5,774,792) |
| Loans to customers and accrued interest receivables - net | 268,034,649 | 275,544,689 |
| Property foreclosed - net | 143,659 | 114,923 |
| Investment properties | 16,067 | 16,067 |
| Premises and equipment - net | 742,643 | 742,371 |
| Intangible assets - net | 186,924 | 39,821 |
| Other assets | 3.6 1,593,141 | 1,606,168 |
| Total assets | 315,374,941 | 342,029,708 |

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

TISCO Bank Public Company Limited
Statement of financial position (continued)
As at 31 March 2014

(Unit: Thousand Baht)

| | Note | 31 March 2014 (Unaudited but reviewed) | 31 December 2013 (Audited) |
|---|------|--|-------------------------------|
| Liabilities and shareholders' equity | | | |
| Liabilities | | | |
| Deposits | 3.7 | 230,010,629 | 265,547,495 |
| Interbank and money market items - net | | 11,645,523 | 12,283,394 |
| Liability payable on demand | | 397,877 | 344,864 |
| Derivative liabilities | 3.1 | - | 310,945 |
| Debts issued and borrowings | 3.8 | 47,069,619 | 36,955,619 |
| Provision for long-term employee benefits | 3.9 | 146,973 | 144,553 |
| Deferred tax liabilities | | 54,154 | 119,720 |
| Accrued interest payable | | 1,784,982 | 1,627,704 |
| Income tax payable | | 512,935 | 302,283 |
| Dividend payable | | - | 655,337 |
| Other liabilities | 3.10 | 3,458,523 | 4,165,434 |
| Total liabilities | | 295,081,215 | 322,457,348 |

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

TISCO Bank Public Company Limited
Statement of financial position (continued)
As at 31 March 2014

(Unit: Thousand Baht)

| Note | 31 March 2014 (Unaudited but reviewed) | 31 December 2013 (Audited) |
|---|---|-------------------------------|
| Shareholders' equity | | |
| Share capital | | |
| Registered | | |
| 104 preference shares of Baht 10 each | 1 | 1 |
| 819,171,178 ordinary shares of Baht 10 each | 8,191,712 | 8,191,712 |
| | <u>8,191,713</u> | <u>8,191,713</u> |
| Issued and paid-up | | |
| 104 preference shares of Baht 10 each | 1 | 1 |
| 819,171,178 ordinary shares of Baht 10 each | 8,191,712 | 8,191,712 |
| | <u>8,191,713</u> | <u>8,191,713</u> |
| Share premium on ordinary shares | 1,120,738 | 1,120,738 |
| Other components of shareholders' equity | 260,098 | 244,503 |
| Retained earnings | | |
| Appropriated-statutory reserve | 984,000 | 984,000 |
| Unappropriated | 9,737,177 | 9,031,406 |
| | <u>20,293,726</u> | <u>19,572,360</u> |
| Total shareholders' equity | <u>315,374,941</u> | <u>342,029,708</u> |
| Total liabilities and shareholders' equity | <u>315,374,941</u> | <u>342,029,708</u> |

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



.....
 Mrs. Oranuch Apisaksirikul
 (Chairperson of the Executive Board)



ธนาคารทีเอสซี จำกัด (มหาชน)
 TISCO Bank Public Company Limited



(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2014

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

| | Note | 2014 | 2013 |
|--|------|------------------|------------------|
| Interest income | 3.12 | 4,671,901 | 4,137,418 |
| Interest expenses | 3.13 | (2,595,424) | (2,265,533) |
| Net interest income | | 2,076,477 | 1,871,885 |
| Fee and service income | | 860,611 | 969,663 |
| Fee and service expenses | | (16,748) | (21,465) |
| Net fee and service income | 3.14 | 843,863 | 948,198 |
| Net gains (losses) on trading and foreign exchange transactions | 3.15 | 17,322 | (1,399) |
| Net gains on investments | 3.16 | 6,101 | 9,300 |
| Penalty fee income from loans | | 78,901 | 61,046 |
| Income from business promotion relating to the hire purchase business | | 87,251 | 334,594 |
| Other operating income | 3.18 | 34,093 | 28,965 |
| Total operating income | | 3,144,008 | 3,252,589 |
| Expenses from business promotion relating to the hire purchase business | | 108,151 | 390,527 |
| Total net operating income | | 3,035,857 | 2,862,062 |
| Operating expenses | | | |
| Employee's expenses | | 421,231 | 532,979 |
| Directors' remuneration | | - | 120 |
| Premises and equipment expenses | | 187,255 | 195,681 |
| Taxes and duties | | 52,487 | 46,484 |
| Intercompany supporting fee expenses | 3.24 | 261,127 | 308,306 |
| Other operating expenses | 3.19 | 150,521 | 134,644 |
| Total operating expenses | | 1,072,621 | 1,218,214 |
| Bad debt, doubtful accounts and impairment losses | 3.17 | 1,085,401 | 845,189 |
| Profit from operation before income tax expenses | | 877,835 | 798,659 |
| Income tax expenses | 3.20 | 172,755 | 157,884 |
| Profit for the period | | 705,080 | 640,775 |

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2014

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

| | Note | 2014 | 2013 |
|---|------|-----------------------|-----------------------|
| | | <u> </u> | <u> </u> |
| Other comprehensive income | 3.21 | | |
| Gains (losses) on valuation in available-for-sale investments | | 20,357 | (1,413) |
| Income tax effect | 3.22 | (4,071) | 282 |
| Other comprehensive income for the period | | <u>16,286</u> | <u>(1,131)</u> |
| Total comprehensive income for the period | | <u><u>721,366</u></u> | <u><u>639,644</u></u> |
| | | | |
| Earnings per share | | | |
| Basic earnings per share | 3.23 | <u>0.86</u> | <u>0.88</u> |

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Cash flow statement

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

| | 2014 | 2013 |
|---|-------------|--------------|
| Cash flows from operating activities | | |
| Profit before income tax | 877,835 | 798,659 |
| Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities | | |
| Depreciation and amortisation | 25,607 | 33,615 |
| Bad debt and doubtful accounts | 1,326,298 | 1,053,408 |
| Allowance for impairment of investments (reversal) | (181) | 2,074 |
| Allowance for impairment of property foreclosed | 129 | 72 |
| Gain on disposal of investments in securities | (5,898) | (11,281) |
| Unrealised loss on trading derivatives and foreign exchange transactions | 22,286 | 3,489 |
| Gain on disposal of equipment | (20) | (298) |
| (Gain) loss on disposal of property foreclosed | (6,184) | 13,468 |
| Employee benefit expenses | 5,384 | 4,815 |
| Decrease in accrued income | 5,345 | 10,677 |
| Decrease in accrued expenses | (203,894) | (143,546) |
| Net interest income | (2,076,477) | (1,871,885) |
| Dividend income | (24,800) | (24,800) |
| Cash received on interest income | 4,847,742 | 4,137,585 |
| Cash paid on interest expenses | (2,096,092) | (1,852,065) |
| Cash received on dividend income | 24,800 | 24,800 |
| Cash paid on income tax expenses | (31,740) | (44,934) |
| Profit from operating activities before changes in operating assets and liabilities | 2,690,140 | 2,133,853 |
| Operating assets (increase) decrease | | |
| Interbank and money market items | 24,120,714 | (9,749,776) |
| Loans to customers | 5,097,970 | (18,120,213) |
| Properties foreclosed | 659,706 | 826,272 |
| Other assets | (136,757) | 218,995 |

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Cash flows statement (continued)
For the three-month period ended 31 March 2014

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------------------|
| | 2014 | 2013 |
| Operating liabilities increase (decrease) | | |
| Deposits | (35,536,865) | 29,675,662 |
| Interbank and money market items | (637,871) | 2,346,653 |
| Liability payable on demand | 53,013 | 149,813 |
| Short-term debts issued and borrowings | 7,714,000 | (654,540) |
| Provision for long-term employee benefits | (2,964) | (3,521) |
| Other liabilities | (794,141) | (410,997) |
| Net cash flows from operating activities | 3,226,945 | 6,412,201 |
| Cash flows from investing activities | | |
| Cash paid for purchase of investment in securities held for investment | (9,454,143) | (2,591,669) |
| Cash received from disposal of investment in securities held for investment | 4,611,862 | 2,731,164 |
| Cash paid for purchase of equipment | (20,273) | (19,657) |
| Cash paid for purchase of intangible assets | (152,709) | - |
| Cash received from disposal of equipment | 20 | 298 |
| Net cash flows from (used in) investing activities | (5,015,243) | 120,136 |
| Cash flows from financing activities | | |
| Long-term debts issued and borrowings | - | (2,000) |
| Cash received from issuance of long-term debentures | 2,400,000 | - |
| Cash paid for the redemption of long-term debentures | - | (5,324,300) |
| Dividend paid | (655,337) | (1,237,859) |
| Net cash flows from (used in) financing activities | 1,744,663 | (6,564,159) |
| Net decrease in cash | (43,635) | (31,822) |
| Cash at beginning of the period | 1,130,135 | 1,045,647 |
| Cash at end of the period | 1,086,500 | 1,013,825 |
| | - | - |

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

| | Issued and fully paid-up | | Share premium on ordinary shares | Other components of shareholders' equity | | | Retained earnings | | Total |
|---|--------------------------|--------------------|--|---|--|---|-------------------|------------------|-------------------|
| | Preference shares | Ordinary shares | | Surplus (deficit) on valuation in available-for-sale investments | Surplus on revaluation of assets | Total other components of shareholders' equity | Appropriated | Unappropriated | |
| | | | | | | | | | |
| Balance as at 1 January 2013 | 1 | 7,281,521 | 130,451 | 3,383 | - | 3,383 | 984,000 | 6,804,322 | 15,203,678 |
| Total comprehensive income for the period | - | - | - | (1,131) | - | (1,131) | - | 640,775 | 639,644 |
| Balance as at 31 March 2013 | <u>1</u> | <u>7,281,521</u> | <u>130,451</u> | <u>2,252</u> | <u>-</u> | <u>2,252</u> | <u>984,000</u> | <u>7,445,097</u> | <u>15,843,322</u> |
| Balance as at 1 January 2014 | 1 | 8,191,712 | 1,120,738 | 5,733 | 238,770 | 244,503 | 984,000 | 9,031,406 | 19,572,360 |
| Total comprehensive income for the period | - | - | - | 16,286 | - | 16,286 | - | 705,080 | 721,366 |
| Transfer surplus on revaluation of assets to retained earnings | - | - | - | - | (691) | (691) | - | 691 | - |
| Balance as at 31 March 2014 | <u>1</u> | <u>8,191,712</u> | <u>1,120,738</u> | <u>22,019</u> | <u>238,079</u> | <u>260,098</u> | <u>984,000</u> | <u>9,737,177</u> | <u>20,293,726</u> |

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

TISCO Bank Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2014

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 2012) “Interim Financial Reporting”, with the Bank choosing to present condensed interim financial statements. However, the Bank has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in accordance with the Bank of Thailand (“BOT”)’s Notification No. Sor Nor Sor. 11/2553 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 3 December 2010.

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

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

No consolidated financial statements of the Bank and its subsidiary (TISCO Securities Hong Kong Limited) have been prepared since TISCO Financial Group Public Company Limited, a parent company with registered office located at 48/49 TISCO Tower, 21st Floor, North Sathorn Road, Silom, Bangrak, Bangkok, has already presented the consolidated financial statements. Therefore, the Bank presented only the separate financial statements.

1.2 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Bank disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The management of the Bank has assessed the effect of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations and believes that they will not have any significant impact on the financial statements for the year when they are initially applied, except TSIC 29, TFRIC 1, TFRIC 5, TFRIC 7, TFRIC 12, TFRIC 17 and TFRIC 18, which are not relevant to the business of the Bank.

(b) Accounting standards that will become effective in the future

The Bank has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The management of the Bank has assessed the effect of this financial reporting standard and believes that TFRS4 is not relevant to the business of the Bank.

1.3 Change in accounting estimation and the recording of depreciation of revalued assets

At the end of 2013, the Bank changed its accounting policy regarding measurement of premises and equipment as it relates to office condominiums, switching from the previously applied cost model to the revaluation model, and at the same time had the useful lives of its office condominiums estimated by an independent professional appraiser. In this regard, effective from 1 January 2014, the Bank has changed remaining useful lives of office condominiums from 4 - 13 years to 20 years in order to align with the estimated useful lives of the assets determined using a prospective method. The effect of the change in the estimated useful lives to the financial statements for the three-month period ended 31 March 2014 is to increase profit after tax by approximately Baht 6 million and increase earnings per share by Baht 0.01 million per share. In addition, in the financial statements for the year 2014, the change is expected to increase profit after tax by approximately Baht 23 million and increase basic earnings per share by Baht 0.03 per share.

The effect of the change in the accounting policy of the Bank regarding measurement of premises and equipment as it relates to office condominiums, from the previously applied cost model to the revaluation model to the financial statements for the three-month period ended 31 March 2014 is to decrease profit after tax by approximately Baht 4 million and decrease basic earnings per share by Baht 0.004 per share. The changes were the result of increasing the value of the asset base used for determining depreciation to fair value. In addition, in the financial statements for the year 2014, the change is expected to decrease by approximately Baht 14 million and decrease basic earnings per share by Baht 0.02 per share.

The net effect of the change from the previously applied cost model to the revaluation model and in the estimations of useful lives to the financial statements for the period ended 31 March 2014 is to increase profit after tax by approximately Baht 2 million and increase basic earnings per share by Baht 0.003 per share. In addition, in the financial statements for the year 2014, the change is expected to increase profit after tax by approximately Baht 9 million and increase basic earnings per share by Baht 0.01 per share.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and method of computation as were used for the financial statements for the year ended 31 December 2013.

2. General information

2.1 The Bank's information

The Bank is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 31 March 2014, the Bank has 55 branches in Thailand.

2.2 Related party transactions

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

The Bank 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 Bank and those related parties, which are reference to the terms and price as charged to other customers.

3. Supplemental information

3.1 Trading derivatives

The Bank entered into interest rate swap agreements and cross currency swap agreements to manage the risk associated with its loan to customers, as follows:

(Unit: Thousand Baht)

| Type of risk | As at | | | | | |
|---------------|---------------|--------|-----------------|------------------|---------|-----------------|
| | 31 March 2014 | | | 31 December 2013 | | |
| | Fair value | | Notional amount | Fair value | | Notional amount |
| Assets | Liabilities | Assets | | Liabilities | | |
| Exchange rate | 9,069 | - | 3,291,170 | - | 310,945 | 3,315,434 |
| Interest rate | 1,986 | - | 600,000 | 28,220 | - | 2,274,303 |
| Total | 11,055 | - | 3,891,170 | 28,220 | 310,945 | 5,589,737 |

All counter parties of these derivative transactions are financial institutions.

3.2 Investments

3.2.1 Classified by type of investment

(Unit: Thousand Baht)

| | As at | |
|---|-------------------|-------------------|
| | 31 March 2014 | 31 December 2013 |
| Available-for-sale investments - fair value | | |
| Government and state enterprise securities | 10,537,961 | 5,637,810 |
| Private sector debt securities | 918,092 | 938,819 |
| Less: Allowance for impairment | (1,460) | (1,460) |
| Total available-for-sale investments | 11,454,593 | 6,575,169 |
| Held-to-maturity debt securities - cost/amortised cost | | |
| Government and state enterprise securities | 3,000,000 | 3,000,000 |
| Investment in receivables | 23,172 | 33,872 |
| Less: Allowance for impairment | (17,744) | (17,722) |
| Total held-to-maturity debt securities | 3,005,428 | 3,016,150 |
| General investments - cost | | |
| Domestic non-marketable equity securities | 483,671 | 483,873 |
| Less: Allowance for impairment | (45,626) | (45,829) |
| Total general investments | 438,045 | 438,044 |
| Investments - net | 14,898,066 | 10,029,363 |

3.2.2 Classified by remaining period to maturity of the debt securities

(Unit: Million Baht)

| | As at | | | | | | | |
|--|------------------|--------------|--------------|---------------|------------------|--------------|--------------|--------------|
| | 31 March 2014 | | | | 31 December 2013 | | | |
| | Due within | | | | Due within | | | |
| | Less than 1 year | 1 - 5 years | Over 5 years | Total | Less than 1 year | 1 - 5 years | Over 5 years | Total |
| Available-for-sale investments | | | | | | | | |
| Government and state enterprise securities | 9,401 | 1,121 | - | 10,522 | 5,435 | 203 | - | 5,638 |
| Private sector debt securities | 1 | 905 | - | 906 | 31 | 907 | - | 938 |
| Total | 9,402 | 2,026 | - | 11,428 | 5,466 | 1,110 | - | 6,576 |
| Add: Allowance for changes in value | 6 | 22 | - | 28 | - | - | - | - |
| Less: Allowance for impairment | (1) | - | - | (1) | (1) | - | - | (1) |
| Total | 9,407 | 2,048 | - | 11,455 | 5,465 | 1,110 | - | 6,575 |
| Held-to-maturity debt securities | | | | | | | | |
| Government and state enterprise securities | - | 3,000 | - | 3,000 | - | 3,000 | - | 3,000 |
| Investment in receivables | 22 | 1 | - | 23 | 32 | 2 | - | 34 |
| Less: Allowance for impairment | (18) | - | - | (18) | (18) | - | - | (18) |
| Total | 4 | 3,001 | - | 3,005 | 14 | 3,002 | - | 3,016 |
| Total debt securities | 9,411 | 5,049 | - | 14,460 | 5,479 | 4,112 | - | 9,591 |

3.2.3 Investments subject to restriction

(Unit: Million Baht)

| Type of investment | As at | | Type of restriction |
|----------------------------|---------------|------------------|--|
| | 31 March 2014 | 31 December 2013 | |
| Government debt securities | 2 | 2 | Pledged for electricity usage |
| Government debt securities | - | 1,758 | Pledged for the use of credit balance on clearing position |

3.2.4 Investments in companies with weak financial positions and poor operating results

(Unit: Thousand Baht)

| | As at 31 March 2014 | | |
|---|---------------------|------------|---|
| | Cost | Fair value | Allowance for changes in value ⁽¹⁾ |
| Companies having problems with debt repayment or in default | 7,060 | - | 7,060 |

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

(Unit: Thousand Baht)

| | As at 31 December 2013 | | |
|---|------------------------|------------|---|
| | Cost | Fair value | Allowance for changes in value ⁽¹⁾ |
| Companies having problems with debt repayment or in default | 7,060 | - | 7,060 |

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

3.2.5 Investments in which the Bank holds not less than 10 percent of the equity of the investees

(Unit: Thousand Baht)

| Securities' name | As at | | | | | |
|-----------------------------------|---------------|----------------|---------------------------|------------------|----------------|---------------------------|
| | 31 March 2014 | | | 31 December 2013 | | |
| | Book value | Unpaid amounts | Percentage of holding (%) | Book value | Unpaid amounts | Percentage of holding (%) |
| Services: | | | | | | |
| Jiji Press (Thailand) Co., Ltd. | 814 | 300 | 10 | 814 | 300 | 10 |
| K. Line (Thailand) Co., Ltd. | 37,335 | - | 10 | 37,335 | - | 10 |
| Trading import and export: | | | | | | |
| Shin Thai Enterprises Co., Ltd. | 5,707 | - | 10 | 5,707 | - | 10 |
| PDTL Trading Co., Ltd. | 6,925 | - | 10 | 6,925 | - | 10 |
| Wattana Inter-Trade Co., Ltd. | 5,382 | - | 10 | 5,382 | - | 10 |
| Real estate: | | | | | | |
| UMI Property Co., Ltd. | 4,647 | - | 10 | 4,647 | - | 10 |
| Industrial: | | | | | | |
| Siam Art Ceramic Co., Ltd. | 17,083 | - | 10 | 17,083 | - | 10 |

3.3 Loans to customers and accrued interest receivables

3.3.1 Classified by loans to customers type

(Unit: Thousand Baht)

| | As at | |
|---|--------------------|--------------------|
| | 31 March 2014 | 31 December 2013 |
| Loans to customers | | |
| Loans | 77,597,416 | 80,126,779 |
| Hire purchase receivables | 220,286,800 | 226,283,511 |
| Financial lease receivables | 1,013,113 | 1,033,508 |
| Less: Deferred revenue | (25,105,172) | (26,394,058) |
| Advances received from financial lease receivables | (211,714) | (223,314) |
| Total loans to customers | 273,580,443 | 280,826,426 |
| Add: Accrued interest receivables | 374,444 | 493,055 |
| Less: Allowance for doubtful accounts | (5,920,238) | (5,774,792) |
| Loans to customers and accrued interest receivables - net | <u>268,034,649</u> | <u>275,544,689</u> |

3.3.2 Classified by currency and residency of debtors

(Unit: Thousand Baht)

| | As at | | | | | |
|------------------------------|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
| | 31 March 2014 | | | 31 December 2013 | | |
| | Domestic | Foreign | Total | Domestic | Foreign | Total |
| Baht | 270,336,123 | - | 270,336,123 | 277,545,066 | - | 277,545,066 |
| US Dollars | - | 3,244,320 | 3,244,320 | - | 3,281,360 | 3,281,360 |
| Total loans to customers net | | | | | | |
| deferred revenue | <u>270,336,123</u> | <u>3,244,320</u> | <u>273,580,443</u> | <u>277,545,066</u> | <u>3,281,360</u> | <u>280,826,426</u> |

3.3.3 Classified by loan classification

(Unit: Million Baht)

| | As at | | | | | |
|---|--|---|-----------|--|---------|-----------|
| | 31 March 2014 | | | 31 December 2013 | | |
| | Net amount | | Allowance | Net amount | | Allowance |
| Loans to customers and accrued interest receivables | used for setting the allowance for doubtful accounts | Loans to customers and accrued interest receivables | | used for setting the allowance for doubtful accounts | | |
| Provision under BOT's guideline | | | | | | |
| - Pass | 252,742 | 228,322 | 3,260 | 259,595 | 235,950 | 3,259 |
| - Special mention | 16,610 | 16,367 | 1,043 | 17,466 | 17,189 | 1,121 |
| - Sub-standard | 3,159 | 3,146 | 973 | 3,086 | 3,083 | 944 |
| - Doubtful | 1,268 | 1,261 | 357 | 996 | 988 | 279 |
| - Doubtful of loss | 176 | 110 | 62 | 176 | 107 | 63 |
| Allowance established in excess | - | - | 225 | - | - | 109 |
| Total | 273,955 | 249,206 | 5,920 | 281,319 | 257,317 | 5,775 |

⁽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 financial lease receivables, for which the Bank does not deduct the collateral value from the outstanding loan balance).

⁽²⁾ As at 31 March 2014, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor 31/2551 minimum requirement by a total of Baht 2,617 million (As at 31 December 2013: total of Baht 2,345 million). TISCO Bank allocated Baht 2,398 million of the excess provision to a specific provision for an individual debtors (As at 31 December 2013: total of Baht 2,236 million) and so combined with the minimum provision requirement of Baht 3,297 million (As at 31 December 2013: total of Baht 3,430 million), the total provision set aside in accordance with BOT requirements is Baht 5,695 million (As at 31 December 2013: total of Baht 5,666 million).

| | Percentage of allowance for doubtful account set up | | | |
|------------------|---|------------------|----------------------------|------------------|
| | Hire purchase receivables ⁽¹⁾ | | Other loans ⁽²⁾ | |
| | As at | | As at | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| Pass | 0.57 | 0.58 | 1 | 1 |
| Special mention | 4.57 | 4.67 | 2 | 2 |
| Sub-standard | 22.61 | 22.95 | 100 | 100 |
| Doubtful | 22.72 | 23.13 | 100 | 100 |
| Doubtful of loss | 22.12 | 22.75 | 100 | 100 |

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

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

3.3.4 Hire purchase and financial lease receivables

As at 31 March 2014, receivables of the Bank under hire purchase and financial lease agreements amount to Baht 196,157 million (31 December 2013: Baht 200,883 million) and mostly comprise hire purchase agreements for vehicles, and financial lease agreements for machines and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

| | As at 31 March 2014 | | | | |
|--|--|--|-----------------|-----------------------------|----------|
| | Amounts of installments due under the long-term lease agreements | | | | |
| | Not over 1 year | Over 1 year but not over 5 years | Over 5 years | Non- performing loans | Total |
| Gross investment in the agreements | 66,390 | 143,033 | 6,173 | 5,704 | 221,300 |
| Less: Deferred revenue* | (9,603) | (13,502) | (175) | (1,651) | (24,931) |
| Advances received from financial lease receivables | (26) | (185) | - | (1) | (212) |
| Present value of minimum lease pay from agreements | 56,761 | 129,346 | 5,998 | 4,052 | 196,157 |
| Allowance for doubtful accounts** | | | | | (2,603) |
| Net hire purchase and financial lease receivables | | | | | 193,554 |

* Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.

** These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provisions in exceed of BOT's minimum requirement to specific provision for an individual debtor.

(Unit: Million Baht)

| | As at 31 December 2013 | | | | |
|--|--|--|-----------------|-----------------------------|----------|
| | Amounts of installments due under the long-term lease agreements | | | | |
| | Not over 1 year | Over 1 year but not over 5 years | Over 5 years | Non- performing loans | Total |
| Gross investment in the agreements | 66,868 | 147,877 | 7,197 | 5,375 | 227,317 |
| Less: Deferred revenue* | (9,956) | (14,426) | (225) | (1,604) | (26,211) |
| Advances received from financial lease receivables | (42) | (180) | - | (1) | (223) |
| Present value of minimum lease pay from agreements | 56,870 | 133,271 | 6,972 | 3,770 | 200,883 |
| Allowance for doubtful accounts ** | | | | | (2,658) |
| Net hire purchase and financial lease receivables | | | | | 198,225 |

* Net of deferred commissions and direct expenses incurred at the initiation of hire purchase.

** These allowance for doubtful accounts included the allowance for doubtful accounts from assigning provisions in exceed of BOT's minimum requirement to specific provision for an individual debtor.

(Unaudited but reviewed)

3.3.5 Loans to customers for which the recognition of interest income has been ceased

(Unit: Million Baht)

| | Amounts calculated under BOT's guidelines ⁽²⁾ | | Amounts calculated under the Bank's policy | |
|--|---|------------------|---|------------------|
| | as at | | as at | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| Loans to customers for which the recognition of interest income has been ceased ⁽¹⁾ | 5,922 | 5,328 | 9,996 | 5,328 |

⁽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.

3.3.6 Deferred revenue which is presented as a deduction against loans to customers

(Unit: Million Baht)

| | As at | |
|---------------------------------|---------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Deferred revenue ⁽¹⁾ | 25,105 | 26,394 |

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

3.3.7 Troubled debt restructuring

| | For the three-month periods ended 31 March | |
|---|---|------|
| | 2014 | 2013 |
| Debtors restructured during the period | | |
| Number of debtors restructured by modification of terms (number) | 152 | 28 |
| Loan balances before restructuring (Million Baht) | 196 | 10 |
| Loan balances after restructuring (Million Baht) | 196 | 10 |
| Loss on troubled debt restructuring (Million Baht) | - | - |
| Average contract period of debt restructuring (years) | | |
| Hire purchase receivables | 4 | 4 |
| Mortgage loan receivables | - | 1 |
| Corporate loan receivables | - | - |

(Unaudited but reviewed)

Supplemental information for the three-month periods ended 31 March 2014 and 2013 relating to the restructured debts is as follows:

(Unit: Million Baht)

| | For the three-month periods | |
|---|-----------------------------|------|
| | ended 31 March | |
| | 2014 | 2013 |
| Interest income on restructured receivables | 6 | 11 |
| Receipt of principal and interest | 58 | 62 |

As at 31 March 2014 and 31 December 2013, the Bank has the outstanding balances with troubled debt restructured debtors as follows:

(Unit: Million Baht)

| | As at | | | |
|---------------------------------------|-------------------|---------------------|-------------------|---------------------|
| | 31 March 2014 | | 31 December 2013 | |
| | Number of debtors | Outstanding balance | Number of debtors | Outstanding balance |
| The balance of the restructured debts | 1,156 | 828 | 1,099 | 665 |

3.4 Allowance for doubtful accounts

3.4.1 Allowance for doubtful accounts - classified by receivables classification

(Unit: Thousand Baht)

| | As at 31 March 2014 | | | | | | |
|--|---------------------|------------------|----------------|----------------|------------------|---------------------------------|------------------|
| | Pass | Special mention | Sub-standard | Doubtful | Doubtful of loss | Allowance established in excess | Total |
| Balance - beginning of period | 3,259,533 | 1,121,141 | 943,918 | 278,617 | 62,632 | 108,951 | 5,774,792 |
| Increase (decrease) in allowance for doubtful accounts during the period | 366 | (78,173) | 303,212 | 964,951 | 14,528 | 116,414 | 1,321,298 |
| Bad debt written-off | (290) | - | (273,734) | (886,252) | (15,576) | - | (1,175,852) |
| Balance - end of period | <u>3,259,609</u> | <u>1,042,968</u> | <u>973,396</u> | <u>357,316</u> | <u>61,584</u> | <u>225,365</u> | <u>5,920,238</u> |

(Unit: Thousand Baht)

| | As at 31 December 2013 | | | | | | |
|---|------------------------|------------------|----------------|----------------|------------------|---------------------------------|------------------|
| | Pass | Special mention | Sub-standard | Doubtful | Doubtful of loss | Allowance established in excess | Total |
| Balance - beginning of year | 2,751,870 | 1,024,157 | 555,487 | 136,361 | 216,329 | 3,440 | 4,687,644 |
| Increase in allowance for doubtful accounts during the year | 507,879 | 97,320 | 1,018,024 | 2,597,723 | 147,951 | 105,511 | 4,474,408 |
| Bad debt written-off | (216) | (336) | (629,593) | (2,455,467) | (301,648) | - | (3,387,260) |
| Balance - end of year | <u>3,259,533</u> | <u>1,121,141</u> | <u>943,918</u> | <u>278,617</u> | <u>62,632</u> | <u>108,951</u> | <u>5,774,792</u> |

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

| | As at 31 March 2014 | | | Total |
|--|--------------------------|--------------------------|---------------------------------------|------------------|
| | Individual impairment | Collective impairment | Allowance established in excess | |
| Balance - beginning of period | 3,018,513 | 2,647,328 | 108,951 | 5,774,792 |
| Increase in allowance for doubtful accounts during the period | 199,942 | 1,004,942 | 116,414 | 1,321,298 |
| Bad debt written-off | (122,826) | (1,053,026) | - | (1,175,852) |
| Balance - end of period | <u>3,095,629</u> | <u>2,599,244</u> | <u>225,365</u> | <u>5,920,238</u> |

(Unit: Thousand Baht)

| | As at 31 December 2013 | | | Total |
|--|--------------------------|--------------------------|---------------------------------------|------------------|
| | Individual impairment | Collective impairment | Allowance established in excess | |
| Balance - beginning of year | 2,206,070 | 2,478,134 | 3,440 | 4,687,644 |
| Increase in allowance for doubtful accounts during the year | 1,286,302 | 3,082,595 | 105,511 | 4,474,408 |
| Bad debt written-off | (473,859) | (2,913,401) | - | (3,387,260) |
| Balance - end of year | <u>3,018,513</u> | <u>2,647,328</u> | <u>108,951</u> | <u>5,774,792</u> |

3.4.3 Non-performing loans to customers

(Unit: Million Baht)

| | As at | |
|-----------------------------------|---------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Non-performing loans to customers | 4,604 | 4,258 |
| Allowance for doubtful accounts | 1,392 | 1,285 |

3.5 Classification of assets

3.5.1 Investments in companies with weak financial position and poor operating results

(Unit: Million Baht)

| | Cost | | Fair value | | Allowance for possible loss provided in the accounts ⁽¹⁾ | |
|---|------------------|---------------------|------------------|---------------------|---|---------------------|
| | as at | | as at | | as at | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| Debt instruments - debentures ⁽²⁾ | 1 | 1 | - | - | 1 | 1 |
| Equity instruments - ordinary shares ⁽³⁾ | 6 | 6 | - | - | 6 | 6 |

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

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

⁽³⁾ 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.

3.5.2 Classification of assets under the Bank of Thailand's guidelines

As at 31 March 2014 and 31 December 2013, the quality of the Bank's assets 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 | | Property foreclosed | | Total | |
|------------------|-----------------------------------|---------------------|---------------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|------------------|---------------------|
| | as at | | as at | | as at | | as at | | as at | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 |
| Pass | 278,666 | 307,922 | - | - | - | - | - | - | 278,666 | 307,922 |
| Special mention | 16,411 | 17,246 | - | - | - | - | - | - | 16,411 | 17,246 |
| Sub-standard | 3,159 | 3,086 | - | - | - | - | - | - | 3,159 | 3,086 |
| Doubtful | 1,268 | 996 | - | - | - | - | - | - | 1,268 | 996 |
| Doubtful of loss | 176 | 176 | 47 | 47 | 18 | 18 | 18 | 18 | 259 | 259 |
| Total | 299,680 | 329,426 | 47 | 47 | 18 | 18 | 18 | 18 | 299,763 | 329,509 |

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

(Unaudited but reviewed)

3.5.3 Classification of assets under the Bank of Thailand's guidelines for hire purchase receivables on which the Bank sets aside provision using a collective approach

(Unit: Million Baht)

| | Debt balance | | Net amount used for setting the 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 | | | |
| | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | 31 March 2014 | 31 December 2013 | | |
| | | | | | (%) | (%) | | | | |
| Pass | 176,473 | 180,736 | 176,473 | 180,736 | 0.57 | 0.58 | 1,000 | 1,049 | | |
| Special mention | 14,921 | 15,660 | 14,921 | 15,660 | 4.57 | 4.67 | 682 | 732 | | |
| Sub-standard | 2,809 | 2,777 | 2,809 | 2,777 | 22.61 | 22.95 | 635 | 637 | | |
| Doubtful | 1,169 | 922 | 1,169 | 922 | 22.72 | 23.13 | 266 | 213 | | |
| Doubtful of loss | 72 | 69 | 72 | 69 | 22.12 | 22.75 | 16 | 16 | | |
| Total | 195,444 | 200,164 | 195,444 | 200,164 | | | 2,599 | 2,647 | | |

⁽¹⁾ The Bank 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 an individual debtor.

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

3.6 Other assets

(Unit: Thousand Baht)

| | As at | |
|------------------------------|------------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Value added tax - net | 324,708 | 413,971 |
| Accrued interest receivables | 47,812 | 53,518 |
| Fee and service receivables | 44,965 | 50,310 |
| Deposits | 39,108 | 36,120 |
| Other receivables | 639,329 | 587,580 |
| Other assets | 497,219 | 464,669 |
| Total other assets | 1,593,141 | 1,606,168 |

3.7 Deposits**3.7.1 Classified by type of deposits**

(Unit: Thousand Baht)

| | As at | |
|---|--------------------|--------------------|
| | 31 March 2014 | 31 December 2013 |
| Deposits | | |
| Current accounts | 3,359,751 | 2,716,643 |
| Saving accounts | 42,714,584 | 40,751,442 |
| Fixed accounts | | |
| - not over 6 months | 14,441,509 | 12,917,074 |
| - over 6 months but not over 1 year | 18,617,754 | 20,938,222 |
| - over 1 year | 183,195 | 201,249 |
| Certificates of deposit/negotiable certificates of deposit | 150,693,836 | 188,022,865 |
| Total | 230,010,629 | 265,547,495 |

3.7.2 Classified by remaining period of contract

(Unit: Thousand Baht)

| | As at | |
|-----------------------|--------------------|--------------------|
| | 31 March 2014 | 31 December 2013 |
| Not over 1 year* | 229,561,156 | 265,059,553 |
| Over 1 year | 449,473 | 487,942 |
| Total deposits | 230,010,629 | 265,547,495 |

**Including fully-mature deposit contracts*

3.7.3 As at 31 March 2014 and 31 December 2013, all outstanding deposits are deposits from domestic depositors and in Baht.

3.8 Debt issued and borrowings

(Unit: Thousand Baht)

| | As at | |
|-------------------------------------|-------------------|-------------------|
| | 31 March 2014 | 31 December 2013 |
| <u>Domestic borrowings</u> | | |
| Subordinated unsecured debentures | 10,643,000 | 8,243,000 |
| Unsubordinated unsecured debentures | 36,282,000 | 28,566,000 |
| Bills of exchange | 143,822 | 145,822 |
| Promissory notes | 797 | 797 |
| Total | 47,069,619 | 36,955,619 |

3.8.1 Subordinated unsecured debentures

As at 31 March 2014 and 31 December 2013, the Bank has long-term subordinated unsecured debentures as follows:

| Year | Units as at | | Face value per unit (Baht) | Balance as at | | Maturity in the year | Interest rate |
|--------------|------------------|---------------------|----------------------------------|------------------|---------------------|-------------------------|---|
| | 31 March 2014 | 31 December 2013 | | 31 March 2014 | 31 December 2013 | | |
| | (Units) | (Units) | | (Million Baht) | (Million Baht) | | |
| 2009 | 2 million | 2 million | 1,000 | 2,000 | 2,000 | 2019 | 5.50 percent per annum in the first to third years, 6.00 percent per annum in the forth to seventh years and 6.50 percent per annum in the eighth to tenth years. |
| 2009 | 2 million | 2 million | 1,000 | 2,000 | 2,000 | 2019 | 5.00 percent per annum in the first to third years, 5.50 percent per annum in the forth to seventh years and 6.00 percent per annum in the eighth to tenth years. |
| 2010 | 1 million | 1 million | 1,000 | 1,000 | 1,000 | 2020 | 5.00 percent per annum. |
| 2010 | 1 million | 1 million | 1,000 | 1,000 | 1,000 | 2020 | 4.80 percent per annum. |
| 2012 | 1 million | 1 million | 1,000 | 1,000 | 1,000 | 2022 | 4.85 percent per annum. |
| 2012 | 1,243,000 | 1,243,000 | 1,000 | 1,243 | 1,243 | 2022 | 4.60 percent per annum. |
| 2014 | 1,600,000 | - | 1,000 | 1,600 | - | 2024 | 6.00 percent per annum. |
| 2014 | 800,000 | - | 1,000 | 800 | - | 2024 | 6.00 percent per annum. |
| Total | | | | 10,643 | 8,243 | | |

3.8.2 Unsubordinated unsecured debentures

As at 31 March 2014 and 31 December 2013, the Bank has short-term unsubordinated unsecured debentures as follows:

| Year | Units as at | | Face value per unit (Baht) | Balance as at | | Maturity in the year | Interest rate |
|-------|------------------|---------------------|----------------------------------|------------------|---------------------|-------------------------|-------------------------------|
| | 31 March 2014 | 31 December 2013 | | 31 March 2014 | 31 December 2013 | | |
| | (Units) | (Units) | | (Million Baht) | (Million Baht) | | |
| 2013 | 4,247,000 | 16,166,000 | 1,000 | 4,247 | 16,166 | 2014 | 2.80 - 3.15 percent per annum |
| 2013 | 3 million | 3 million | 1,000 | 3,000 | 3,000 | 2014 | 3.15 percent per annum |
| 2013 | 3,500,000 | 3,500,000 | 1,000 | 3,500 | 3,500 | 2014 | 3.15 percent per annum |
| 2013 | 3 million | 3 million | 1,000 | 3,000 | 3,000 | 2014 | 3.10 percent per annum |
| 2013 | 2,600,000 | 2,600,000 | 1,000 | 2,600 | 2,600 | 2014 | 3.05 percent per annum |
| 2013 | 300,000 | 300,000 | 1,000 | 300 | 300 | 2014 | 3.10 percent per annum |
| 2014 | 19,635,000 | - | 1,000 | 19,635 | - | 2014 | 2.50 - 2.87 percent per annum |
| Total | | | | <u>36,282</u> | <u>28,566</u> | | |

3.8.3 Bills of exchange

Bills of exchange comprise the fixed interest rate bearing and float interest rate bearing, which will gradually mature in 2014 to 2015. The interest rates of the fixed interest rate bearing bills of exchange are between 2.50 and 4.25 percent per annum.

3.9 Provision for long-term employee benefits

Provision for long-term employee benefits, which are compensations on employee's retirement and other long-term benefits, as at 31 March 2014 and 31 December 2013 were as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------|------------------|
| | As at | |
| | 31 March 2014 | 31 December 2013 |
| Defined post employment benefit obligation at beginning of period/year | 100,885 | 98,534 |
| Current service cost | 2,268 | 8,467 |
| Interest cost | 1,036 | 3,465 |
| Benefits paid during the period/year | - | (3,055) |
| Actuarial gains | - | (6,526) |
| Defined post employment benefit obligation at end of period/year | 104,189 | 100,885 |
| Other long-term benefits | 42,784 | 43,668 |
| Total provision for long-term employee benefits at end of period/year | <u>146,973</u> | <u>144,553</u> |

(Unaudited but reviewed)

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 31 March 2014 and 2013 were as follows:

(Unit: Thousand Baht)

For the three-month periods ended
31 March

| | 2014 | 2013 |
|---------------------------------|-------|-------|
| Current service cost | 4,027 | 3,674 |
| Interest cost | 1,357 | 1,141 |
| Total employee benefit expenses | 5,384 | 4,815 |

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

| | 2014 | 2013 |
|------------------------------|-------------|-------------|
| Discount rate | 2.36 - 4.64 | 2.36 - 4.64 |
| Average salary increase rate | 3.80 | 3.80 |
| Average inflation rate | 2.92 | 2.92 |

3.10 Other liabilities

(Unit: Thousand Baht)

As at

| | 31 March 2014 | 31 December 2013 |
|---|---------------|------------------|
| Withholding income tax and other tax payables | 271,735 | 204,714 |
| Accrued insurance premium | 473,167 | 809,500 |
| Deferred income | 1,039,103 | 967,917 |
| Accrued expenses | 1,202,417 | 1,406,311 |
| Suspense creditors | 303,056 | 583,942 |
| Other liabilities | 169,045 | 193,050 |
| Total other liabilities | 3,458,523 | 4,165,434 |

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the parent company's share price, paid to employees whose performance impacts the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. 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 parent company's shares over the period of five years from grant date to settlement date. As of 31 March 2014 and 31 December 2013, the Bank has issued bonus under this scheme amounting to Baht 126 million and Baht 122 million, respectively.

3.11 Capital funds

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain capital adequacy ratio in accordance with the regulations of the Bank of Thailand.

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

Regarding Capital fund as at 31 March 2014 and 31 December 2013, the Bank has allocated the additional reserve from classification as a 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 Bank (under Basel III principles) are as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------|-------------------|
| | As at | |
| | 31 March 2014 | 31 December 2013 |
| <u>Common Equity Tier I capital</u> | | |
| Issued and fully paid up share capital | 8,191,712 | 8,191,712 |
| Premium on share capital | 1,120,738 | 1,120,738 |
| Statutory reserve | 984,000 | 984,000 |
| Net profits after appropriation | 7,943,322 | 7,943,322 |
| Other components of shareholders' equity | 4,404 | - |
| Less: Deficit provision according to IRB | (370,157) | (620,222) |
| Total Common Equity Tier I capital | 17,874,019 | 17,619,550 |
| <u>Financial Instrument Tier I capital</u> | | |
| Issued and paid up share capital - non cumulative preferred shares | 1 | - |
| Total Tier I capital | 17,874,020 | 17,619,550 |
| <u>Tier II capital</u> | | |
| Subordinated long-term debentures | 8,643,000 | 7,518,700 |
| Reserve for loans classified as pass | 652,984 | 608,075 |
| Total Tier II capital | 9,295,984 | 8,126,775 |
| Total capital funds | 27,170,004 | 25,746,325 |

(Unaudited but reviewed)

(Unit: Percent)

| Capital fund ratios | As at | | | |
|---|---------------|-------------|------------------|-------------|
| | 31 March 2014 | | 31 December 2013 | |
| | The Bank | Requirement | The Bank | Requirement |
| Common Equity Tier I capital to risk assets | 9.42 | 4.50 | 9.15 | 4.50 |
| Tier I capital to risk assets | 9.42 | 6.00 | 9.15 | 6.00 |
| Total capital to risk assets | 14.32 | 8.50 | 13.37 | 8.50 |

To comply with the Notification of the Bank of Thailand No. Sor Nor Sor 25/2552 regarding “Public Disclosure of Capital Maintenance for Commercial Banks”, the Bank has disclosed capital maintenance information as at 31 December 2013 on its website on 30 April 2014.

3.12 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

(Unit: Thousand Baht)

| | For the three-month periods ended | |
|-----------------------------------|-----------------------------------|-----------|
| | 31 March | |
| | 2014 | 2013 |
| Interbank and money market items | 215,206 | 195,803 |
| Investments in debt securities | 105,923 | 40,595 |
| Loans to customers | 1,493,783 | 1,318,362 |
| Hire purchase and financial lease | 2,856,989 | 2,582,658 |
| Total interest income | 4,671,901 | 4,137,418 |

3.13 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|------------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Deposits | 1,801,966 | 1,721,217 |
| Interbank and money market items | 76,152 | 60,953 |
| Contribution fee to the Deposit Protection Agency and Bank of Thailand | 342,053 | 283,955 |
| Issued debt instruments | | |
| - Subordinated debentures | 128,633 | 106,934 |
| - Unsubordinated debentures | 245,308 | 37,060 |
| Borrowings | 1,312 | 55,414 |
| Total interest expenses | <u>2,595,424</u> | <u>2,265,533</u> |

3.14 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|-----------------------------------|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Fee and service income | | |
| - Acceptance, aval and guarantees | 4,721 | 2,737 |
| - Insurance service | 671,370 | 806,426 |
| - Financial advisory fees | 2,250 | - |
| - Others | 182,270 | 160,500 |
| Total fee and service income | 860,611 | 969,663 |
| Fee and service expenses | (16,748) | (21,465) |
| Net fee and service income | <u>843,863</u> | <u>948,198</u> |

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

Net gains (losses) on trading and foreign exchange transactions in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Gains (losses) on trading and foreign exchange transactions | | |
| - Foreign currencies and derivatives on foreign exchange | 11,833 | 320 |
| - Derivatives on interest rates | 3,590 | (3,809) |
| - Debt securities | 1,899 | 2,090 |
| Total | <u>17,322</u> | <u>(1,399)</u> |

3.16 Net gains on investments

Net gains on investments in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Gains on disposal | | |
| - Available-for-sale investments | (40) | 50 |
| - Held-to-maturity debt securities | 14 | 73 |
| - General investments | 5,924 | 11,158 |
| Total | 5,898 | 11,281 |
| Reversal of losses (losses) on impairment | | |
| - General investments | 203 | - |
| - Investments in subsidiaries | - | (1,981) |
| Total | <u>203</u> | <u>(1,981)</u> |
| Net gains on investments | <u>6,101</u> | <u>9,300</u> |

3.17 Bad debt, doubtful accounts and impairment losses

Bad debt, doubtful accounts and impairment losses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|----------------------------------|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Interbank and money market items | 5,000 | 25,000 |
| Held-to-maturity debt securities | 22 | 93 |
| Loans to customers | 1,080,379 | 820,096 |
| Total | <u>1,085,401</u> | <u>845,189</u> |

3.18 Other operating income

Other operating income in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|--|-----------------------------------|---------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Gains on disposal of property foreclosed | 6,184 | - |
| Dividend income | 24,800 | 24,800 |
| Others | 3,109 | 4,165 |
| Total | <u>34,093</u> | <u>28,965</u> |

3.19 Other operating expenses

Other operating expenses in the statements of comprehensive income for the three-month periods ended 31 March 2014 and 2013 consisted of the following:

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Mailing expenses | 13,784 | 12,429 |
| Software amortisation expenses | 5,606 | 7,907 |
| Legal expenses | 59,063 | 35,858 |
| Transportation expenses | 20,824 | 18,251 |
| Advertising and business promotion expenses | 24,472 | 21,348 |
| Loss on disposal of property foreclosed | - | 1,202 |
| Others | 26,772 | 37,649 |
| Total | 150,521 | 134,644 |

3.20 Income tax expenses

Income tax expenses of the Bank for the three-month periods ended 31 March 2014 and 2013 are as follows:

| | (Unit: Thousand Baht) | |
|--|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Current income tax: | | |
| Income tax expenses for the periods | 242,392 | 209,176 |
| Adjustment in respect of current income tax of previous year | - | (114) |
| Deferred tax: | | |
| Deferred tax on temporary differences and reversion of temporary differences | (69,637) | (51,178) |
| Income tax expenses reported in statements of comprehensive income | 172,755 | 157,884 |

(Unaudited but reviewed)

3.21 Components of other comprehensive income

| | (Unit: Thousand Baht) | |
|---|-----------------------------------|----------------|
| | For the three-month periods ended | |
| | 31 March | |
| | 2014 | 2013 |
| Other comprehensive income | | |
| Available-for-sale investments: | | |
| Gains (losses) during the periods | 20,317 | (1,363) |
| Add (less): Reclassification adjustments for gains included in profit or loss | 40 | (50) |
| Other comprehensive income | 20,357 | (1,413) |
| Income tax effect | (4,071) | 282 |
| Net other comprehensive income for the periods | <u>16,286</u> | <u>(1,131)</u> |

3.22 Income tax effects relating to components of other comprehensive income

| | (Unit: Thousand Baht) | | | | | |
|---|--|-----------------------|-------------------|-------------------|-----------------------|-------------------|
| | For the three-month periods ended 31 March | | | | | |
| | 2014 | | | 2013 | | |
| | Before tax amount | Tax (expense) benefit | Net of tax amount | Before tax amount | Tax (expense) benefit | Net of tax amount |
| Gains (losses) on valuation in available-for-sale investments | 20,357 | (4,071) | 16,286 | (1,413) | 282 | (1,131) |
| | <u>20,357</u> | <u>(4,071)</u> | <u>16,286</u> | <u>(1,413)</u> | <u>282</u> | <u>(1,131)</u> |

3.23 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Bank (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.

| | For the three-month periods ended | |
|---|-----------------------------------|---------|
| | 31 March | |
| | 2014 | 2013 |
| Profit attributable to equity holders of the Bank (Thousand Baht) | 705,080 | 640,775 |
| Weighted average number of shares (Thousand shares) | 819,171 | 728,152 |
| Basic earnings per share (Baht/share) | 0.86 | 0.88 |

3.24 Related party transactions

| | (Unit: Thousand Baht) | | | |
|--|----------------------------|-----------|-----------|---------------------------|
| | As at 1 January 2014 | Increase | Decrease | As at 31 March 2014 |
| <u>Outstanding balance</u> | | | | |
| Parent company: | | | | |
| TISCO Financial Group Plc. | | | | |
| Deposits | 509,783 | 1,491,029 | - | 2,000,812 |
| Accrued interest payable | 289 | 138 | - | 427 |
| Dividend payable | 655,248 | - | (655,248) | - |
| Other liabilities | 73,685 | 18,093 | - | 91,778 |
| Related companies (related by common shareholder) | | | | |
| Interbank and money market items (Assets): | | | | |
| TISCO Securities Co., Ltd. | 495,000 | - | (495,000) | - |
| Other assets: | | | | |
| TISCO Securities Co., Ltd. | 594 | 815 | - | 1,409 |
| TISCO Leasing Co., Ltd. | 9,729 | 216 | - | 9,945 |
| TISCO Information Technology Co., Ltd. | 30,000 | - | (7,500) | 22,500 |
| TISCO Tokyo Leasing Co., Ltd. | - | 1,600 | - | 1,600 |
| Deposits: | | | | |
| Hi-Way Co., Ltd. | 19,958 | 7,103 | - | 27,061 |
| TISCO Information Technology Co., Ltd. | 129,305 | 14,100 | - | 143,405 |
| Primus Leasing Co., Ltd. | 32,841 | - | - | 32,841 |
| TISCO Tokyo Leasing Co., Ltd. | 1,424 | - | (69) | 1,355 |
| TISCO Learning Center Co., Ltd. | 38,156 | 393 | - | 38,549 |
| Deutsche TISCO Investment Advisory Co., Ltd. | 170,651 | - | (16,983) | 153,668 |
| TISCO Leasing Co., Ltd. | 4,045 | - | (3,079) | 966 |
| All-Ways Co., Ltd. | 580 | 178 | - | 758 |
| Interbank and money market items (Liabilities): | | | | |
| TISCO Securities Co., Ltd. | 844,147 | - | (390,775) | 453,372 |
| TISCO Asset Management Co., Ltd. | 66,521 | 51,568 | - | 118,089 |
| Accrued interest payable: | | | | |
| TISCO Securities Co., Ltd. | 645 | 596 | - | 1,241 |
| TISCO Asset Management Co., Ltd. | 56 | 428 | - | 484 |
| TISCO Information Technology Co., Ltd. | 146 | 376 | - | 522 |
| TISCO Leasing Co., Ltd. | - | 11 | - | 11 |
| Hi-Way Co., Ltd. | - | 78 | - | 78 |
| TISCO Learning Center Co., Ltd. | 172 | - | (83) | 89 |
| Other liabilities: | | | | |
| Hi-Way Co., Ltd. | 36,840 | - | (12,040) | 24,800 |
| TISCO Learning Center Co., Ltd. | 1,960 | 1,988 | - | 3,948 |
| All-Ways Co., Ltd. | 748 | - | (196) | 552 |

(Unaudited but reviewed)

(Unit Thousand Baht)

| | 2014 | 2013 | Terms and pricing policy |
|--|---------|---------|--|
| <u>Transactions occurred during the three-month periods ended 31 March</u> | | | |
| Parent company | | | |
| Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses | 236,327 | 301,397 | Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand |
| Interest expenses | 4,656 | 4,447 | With reference to the terms and prices as offered to other customers |
| Others expenses | 2,316 | 2,316 | With reference to the terms and prices as offered to other customers |
| Related companies | | | |
| Interest income | 2,967 | 4,793 | With reference to the terms and prices as offered to other customers |
| Service income involving loan | 1,418 | 5,431 | With reference to the terms and prices as offered to other customers |
| Other income | 2,384 | 794 | With reference to the terms and prices as offered to other customers |
| Expenses involving loan | 24,800 | 6,909 | Determined on the basis on actual cost |
| Computer system advisory service expenses | 65,000 | 62,500 | Determined on the basis on actual cost in compliance with the criteria specified by the Bank of Thailand |
| Training expenses | 8,159 | 10,463 | With reference to the prices as offered from other service providers |
| Interest expenses | 4,940 | 4,911 | With reference to the terms and prices as offered to other customers |
| Others expenses | 2,136 | 231 | With reference to the terms and prices as offered to other customers |

(Unaudited but reviewed)

Loans to management-level employees (departmental manager upward)

(Unit: Thousand Baht)

| | As at | |
|----------------------|---------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Loans ⁽¹⁾ | 7,219 | 7,568 |

⁽¹⁾ Including employee welfare loans and normal loans

Liabilities payable to directors and key management personnel

(Unit: Thousand Baht)

| | As at | |
|----------|---------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Deposits | 80,423 | 84,899 |

Directors and management's benefits

During the three-month periods ended 31 March 2014 and 2013, the Bank had short-term benefit expenses paid to their directors and management during the periods and other employee benefit expenses payable to their directors and management as below:

(Unit: Million Baht)

| | For the three-month periods ended | |
|--------------------------|-----------------------------------|------|
| | 31 March | |
| | 2014 | 2013 |
| Short-term benefits | 22 | 18 |
| Post-employment benefits | 1 | 1 |
| Total | 23 | 19 |

3.25 Segment information

The Bank is organised into business units based on its products and services. During the current period, the Bank has not changed the organisation of its reportable segments.

The following tables present revenue and profit information regarding the Bank's operating segments for the three-month periods ended 31 March 2014 and 2013, respectively.

| | (Unit: Million Baht) | | | | | |
|---|----------------------|----------------------|--------------------------------------|-------------------|------------------------------------|------------------------|
| | Retail Banking | Corporate Banking | Treasury investment and others | Total segments | Adjustments and eliminations | Financial statement |
| For the three-month period ended 31 March 2014 | | | | | | |
| Revenue | | | | | | |
| External customers | 2,450 | 443 | 251 | 3,144 | - | 3,144 |
| Inter - segment | - | - | 419 | 419 | (419) | - |
| Total revenue | <u>2,450</u> | <u>443</u> | <u>670</u> | <u>3,563</u> | <u>(419)</u> | <u>3,144</u> |
| Operating results: | | | | | | |
| Net interest income | 1,459 | 425 | 192 | 2,076 | - | 2,076 |
| Net fee and service income | 817 | 28 | (1) | 844 | - | 844 |
| Other operating income | 174 | (10) | 479 | 643 | (419) | 224 |
| Total operating income | <u>2,450</u> | <u>443</u> | <u>670</u> | <u>3,563</u> | <u>(419)</u> | <u>3,144</u> |
| Depreciation and amortisation | (59) | (9) | (124) | (192) | - | (192) |
| Other operating expenses | (957) | (150) | (300) | (1,407) | 419 | (988) |
| Bad debt, doubtful accounts and impairment losses | (796) | (60) | (230) | (1,086) | - | (1,086) |
| Total operating expenses | <u>(1,812)</u> | <u>(219)</u> | <u>(654)</u> | <u>(2,685)</u> | <u>419</u> | <u>(2,266)</u> |
| Segment profit | 638 | 224 | 16 | 878 | - | 878 |
| Income tax expenses | | | | | | (173) |
| Profit for the period | | | | | | <u>705</u> |

(Unaudited but reviewed)

(Unit: Million Baht)

| | Retail Banking | Corporate Banking | Treasury investment and others | Total segments | Adjustments and eliminations | Financial statement |
|---|-------------------|----------------------|--------------------------------------|-------------------|------------------------------------|------------------------|
| For the three-month period ended 31 March 2013 | | | | | | |
| Revenue | | | | | | |
| External customers | 2,692 | 484 | 77 | 3,253 | - | 3,253 |
| Inter - segment | - | - | 603 | 603 | (603) | - |
| Total revenue | 2,692 | 484 | 680 | 3,856 | (603) | 3,253 |
| Operating results: | | | | | | |
| Net interest income | 1,341 | 454 | 77 | 1,872 | - | 1,872 |
| Net fee and service income | 921 | 30 | (3) | 948 | - | 948 |
| Other operating income | 430 | - | 606 | 1,036 | (603) | 433 |
| Total operating income | 2,692 | 484 | 680 | 3,856 | (603) | 3,253 |
| Depreciation and amortisation | (70) | (7) | (126) | (203) | - | (203) |
| Other operating expenses | (1,356) | (171) | (482) | (2,009) | 603 | (1,406) |
| Bad debt, doubtful accounts and impairment losses | (525) | (83) | (237) | (845) | - | (845) |
| Total operating expenses | (1,951) | (261) | (845) | (3,057) | 603 | (2,454) |
| Segment profit | 741 | 223 | (165) | 799 | - | 799 |
| Income tax expenses | | | | | | (158) |
| Profit for the period | | | | | | 641 |

The following table presents segment assets of the Bank's operating segments as at 31 March 2014 and 31 December 2013:

(Unit: Million Baht)

| | Retail Banking | Corporate Banking | Treasury investment and others | Total segments |
|-----------------------------|-------------------|----------------------|--------------------------------------|----------------|
| Total segment assets | | | | |
| As at 31 March 2014 | 203,240 | 70,363 | 41,772 | 315,375 |
| As at 31 December 2013 | 207,720 | 73,130 | 61,180 | 342,030 |

3.26 Commitments and contingent liabilities

3.26.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

| | As at | |
|-------------------------------------|------------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Avals | 195,885 | 42,552 |
| Other guarantees | 559,213 | 753,815 |
| Undrawn client overdraft facilities | 44,450 | 54,041 |
| Interest rate swap agreements | 600,000 | 2,274,303 |
| Cross currency swap agreements | 3,291,170 | 3,315,434 |
| Total | 4,690,718 | 6,440,145 |

3.26.2 Litigation

As at 31 March 2014 and 31 December 2013, the Bank has been sued for compensation totaling approximately Baht 347 million and Baht 354 million, respectively. Final judgments have not yet been reached in respect of these cases. The management of the Bank believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

3.26.3 Other commitments

- a) The Bank has 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 Bank has entered into several lease agreements in respect of the lease of office building and branch office. The terms of the agreements are generally 3 - 12 years.

As at 31 March 2014 and 31 December 2013, future minimum lease payments required under these non-cancellable operating leases contracts were as follows:

(Unit: Million Baht)

| | As at | |
|-------------------|---------------|------------------|
| | 31 March 2014 | 31 December 2013 |
| Payable within: | | |
| Not over 1 year | 94 | 103 |
| Over 1 to 5 years | 61 | 61 |
| Over 5 years | 2 | 5 |

4. Dividend payment

| | Approved by | Dividend per share | | Amounts of dividend paid (Million Baht) | Dividend payment period |
|-------------------------------------|--|--------------------------------------|------------------------------------|--|-------------------------|
| | | Preference share (Baht per share) | Ordinary share (Baht per share) | | |
| Interim dividend for 2013 | The Board of Directors' Meeting of TISCO Bank No. 7/2013 on 20 December 2013 | 0.80 | 0.80 | 655 | January 2014 |
| Total dividend payment in year 2013 | | | | <u>655</u> | |

5. Events after the reporting period

The Annual General Meeting of the Bank's shareholders for the year 2014, convened on 22 April 2014 passed the following resolutions:

- a) To approve the allocation of up to 102,396,410 new common shares of the Bank with a par value of Baht 10 per share to the existing shareholders of the Bank pro rata to their shareholding at an offering ratio of 1 new share for every 8 existing shares (both common and preferred shares) with an offer price of Baht 23.89 per share. The offer price was calculated based on the book value of shareholders' equity as at 31 December 2013. The new common shares (the "Right offering") are issued to the existing shareholders of the Bank named in the share register as at 12 May 2014. In addition, the meeting approved the delegation of authority to the Board of Directors or the President of the Bank to determine other details in connection with the allocation of the new common shares issued, whether in single or sequential allocation, to the existing shareholders of the Bank, including without limitation to the offering period, offering price, payment period, and other terms and conditions relating to the allocation of the new common shares.
- b) To approve the increase of the Bank's registered capital in the amount of Baht 1,023,964,100 from Baht 8,191,712,820 to Baht 9,215,676,920, in order to accommodate the allocation of the new common shares issued. In addition, to reflect the increase of the Bank's registered capital, the meeting approved the amendment to the Bank's Memorandum of Association Clause 4, to state that the registered capital is Baht 9,215,676,920, consisting of 104 preference shares and 921,567,588 ordinary shares of Baht 10 each.

6. Approval of interim financial statements

These interim financial statements were approved by the Bank's Audit Committee on 7 May 2014.