



Achieving Sustainable
Growth Together

ธุรกิจสร้างคุณค่า วัฒนาสู่สังคม

Annual Registration Statement
and Annual Report 2022
(Form 56-1 One Report)

TISCO Financial Group PLC.

Annual Registration Statement and Annual Report 2022

(Form 56-1 One Report)

TISCO Financial Group Public Company Limited



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Report from the Board of Directors

In 2022, just as it was emerging from the Covid-19 pandemic, the global economy faced another major challenge in the war between Russia and Ukraine. The ongoing conflict has presented hurdles to the recovery and has contributed to a surge in inflation and cost of living among major economies, prompting many countries to tighten their monetary policy through interest rate hikes. Leading the charge, the US Federal Reserve has raised interest rates to combat skyrocketing inflation, reaching a multi-decade high of 4.50-4.75%. Thailand's economy was not spared from the jump in inflation and consumer purchasing power has been constrained despite the country's post-Covid reopening. In response to the record-high inflation, the Bank of Thailand has raised its policy rate from 0.50% to 1.50% at the start of 2023, while still attending to keep economic recovery smooth. Thankfully, Thailand's crucial tourism sector has regained health with 2022 seeing a jump in tourist arrivals to over 11 million, following the resumption of international travel. Despite the tourism recovery, the domestic economic outlook still appears to be lagging behind regional peers.

Through the ups and downs of 2022, TISCO has remained resilient with focused business strategies while adhering to prudent risk management principles. Growth has been revived in several core businesses, and subsequently TISCO managed to deliver remarkable performance with a net profit of 7,224 million baht, up 6.5% from the previous year. The lending portfolio returned to growth for the first time in three years at 7.9%. The growth was underpinned by business recovery as Thailand's economic turnaround resulted in new corporate loan & SME loan drawdowns in selective business sectors. In the retail core business, TISCO has put a greater focus on high-yield businesses, aiming for sustainable risk-adjusted return and portfolio diversification into areas of greater opportunity. As a result, TISCO Auto Cash under the "Somwang" brand demonstrated outstanding loan growth in 2022, backed by proactive branch network expansion into provincial areas. Amid myriad uncertainties, TISCO has been prudent with its loan underwriting while simultaneously offering comprehensive assistance measures to customers in need. Hence, asset quality remained intact with NPL ratio declining from 2.44% at the end of 2021 to 2.09%. With our good discipline in provisioning practice, TISCO has also built-up solid position against any future potential risks with a robust loan loss coverage ratio of nearly 260%.

On top of asset expansion, fee-based business in the banking area also broadly recovered, driven by strong growth in bancassurance business after years of being subdued. With focus on customer value, TISCO leveraged growth from economic recovery while also utilizing strong network of business partners within the insurance business ecosystem. On the other hand, capital market businesses have been more volatile with poorer investment sentiments, due to global market turmoil following escalated inflation problems and tightened monetary policy. A sharp correction in global equity and fixed income markets dampened investor confidence worldwide, thus affecting our wealth management business performance. The brokerage business experienced a sharp decline in trading volume amid large fund outflows and a shift towards low-risk assets. Similarly, the asset management business has seen significantly lower fund inflows, particularly in high-fee funds, which mainly involves higher-risk foreign investment funds and equity investment funds.

Meanwhile, during the year TISCO continued to strengthen wealth management brands and expand service capability to be prepared for market turnaround. TISCO Securities continued to provide quality research and assertive advisory services to help clients withstand the volatile market environment. TISCO also actively provided investment banking services including financial advisory, M&A deals, and IPOs. Noteworthy deals of the year include underwriting of the initial public offering (IPO) of Asian Alliance International Public Company Limited (AAI) and acting as an independent financial advisor for Total Access Communication Public Company Limited (DTAC) in the amalgamation of DTAC and TRUE. In recognition of its dedication to providing the best possible service, TISCO Securities received the "Best Domestic Brokerage in Thailand 2022" award by Asia Money, and the "Best Investment Analyst Team" in the institutional investors category from IAA Best Analyst Award 2022.

Despite a difficult time, TISCO Asset Management managed to progressively increase new clients and fund contributions, particularly in provident and private funds, resulting in an overall expansion of assets under management. Backed by its long experience in provident fund management, TISCO Asset Management retained a number one ranking in provident fund industry market share. TISCO AM was also bestowed the “*Decade of Excellence – Provident Fund Management Thailand 2022*” award from Global Banking & Finance Review for the fifth consecutive year. Another recognition earned for excellency was the “*Best Domestic Equity House Awards 2022*” from Morningstar Awards 2022.

Through the year, digital solutions were also extended as service channel as well as new innovative client acquisition and interaction platforms. In retail area, TISCO My Car application were upgraded to become a customer touchpoint which provides all the useful information and additional services for retail loan clients. New top-up loan feature was also introduced to offer clients with easy access for liquidity at their fingertips. In wealth business, TISCO My Wealth and TISCO My Fund applications were upgraded to provide real-time update on financial and investment information, additional features for customer acquisition and services, as well as increasing products on shelf for clients to choose from. This innovation in digital channel has enabled TISCO to maintain best hybrid advisory services and provide solutions for customer needs in this fast-growing digital era.

Reflecting our core value to create sustainable return for all stakeholders, TISCO was granted the “*Outstanding Company Performance*” award at the SET Awards 2022 for the second consecutive year. This award reflects resiliency in business performance amid various challenges. TISCO delivered top-tier Return on Equity (ROE) at 17.2% with a solid capital ratio (BIS) of 23.4%. We are proud that “TISCO” is now widely perceived as a successful brand, particularly in generating long-term business value. Indeed, TISCO boasts one of the highest brand values according to the CBS valuation tool and received “*Thailand’s Top Corporate Brands Award*” from Chulalongkorn Business School for 2 consecutive years. Excellent services at TISCO stem from our teams’ competency and commitment to their work. TISCO staff are equipped with skills and expertise and strive to conduct service with integrity. This positive work environment comes from TISCO’s priority to ensure employee satisfaction and engagement. We seek to foster employees’ creativity and joy with our long-time stand to be a “*Happy Organization*”. TISCO’s unyielding support for employees has been recognized by Kincentric Thailand which awarded Hi-Way, a subsidiary under TISCO Group, with the “*Best Employer Hall of Fame*” for the Company that has received “*Best Employer Award*” more than 4 times.

TISCO incorporates sustainability across all business dimensions, cultivating good governance and integrity along with knowledge and competency in all employees. In our loan underwriting process, we focus on environmental support through green financing and reduction of environmental footprint in order to promote a sustainable, low-carbon economy. It is part of TISCO’s culture to utilize our expertise to help society with financial solutions in regard to debt management and to educate the community with financial knowledge on savings and retirement planning in order to create financial stability in the long run. By taking into consideration ESG, TISCO plays a direct role in building responsible banking principles in Thailand. As a result of these efforts to expand sustainability, TISCO received the “*Rising Star Sustainability Excellence Award*” at the SET Awards 2022.

The outlook for 2023 is still clouded by global economic slowdown, continuation of high inflation, ongoing geopolitical tensions, and China uncertainty. Thailand’s export sector is expected to be subdued due to declining demand from US and Europe where energy crises and surging cost of living are taking a toll. On the brighter side, Thailand is expected to sustain recovery momentum thanks to its high exposure to tourism-related activities and the resumption of domestic consumption. Still, high household debt and decreased debt serviceability could hinder the speed of recovery. The rising interest rate cycle, coupled with the resumption of FIDF cost to normal level, would also present another key challenge to TISCO operations and performance going forward. Nonetheless, TISCO is entering the new

year with more upbeat growth prospects, aiming for expansion in products with healthy risk-adjusted return in the areas of good business opportunities.

The Board would like to thank our shareholders, clients, and business partners for their long-term support and trust in TISCO, and would like to express special appreciation to our management team and staff for their commitment to the company. We wholeheartedly believe that with our teamwork and professionalism, TISCO can manage any challenges and thrive for the years to come.

The Board of Directors

Part 1 Business Operations and Performance

1. Group Structure and Business Operations

1.1 Policies and Overview of TISCO's Business

Background

TISCO was established in 1969 as the first investment bank in Thailand with Bankers Trust New York as the major shareholder. TISCO operated in the form of an investment bank, similar to businesses abroad, with an objective to respond to the needs of Thailand's fast-growing economy during that time. The TISCO logo was developed from the Company's English name: Thai Investment and Securities Company Limited.

In 1973, TISCO became the first company in Thailand to receive a securities business license from the Ministry of Finance. TISCO was also one of the founding members of the Stock Exchange of Thailand. The Company was listed on the Stock Exchange of Thailand in 1983 and steadily grew into a leading financial institution, offering both financial and investment services. An early mover in the industry, TISCO has played a key role in the development of Thailand's capital markets. TISCO transformed into a full commercial bank and opened a banking business in 2005 under the name "TISCO Bank Public Company Limited". In 2009, TISCO successfully restructured into a holding company, setting up TISCO Financial Group Public Company Limited, a non-bank public company limited, as a holding company and the parent company of the Group, in place of TISCO Bank, in accordance with the consolidated supervision regulations of the Bank of Thailand.

Currently, TISCO Financial Group Public Company Limited operates as a holding company and is involved in no other major businesses. TISCO Bank Public Company Limited is the core company of the group, providing a broad range of financial services across the commercial banking, lending, and capital markets businesses.

Thai Economy in 2022 and Outlook for 2023

In 2022, the Thai economy began to recover as the COVID-19 pandemic eased. Economic activity steadily improved thanks to easing of lockdown policies and ending of the Thailand Pass registration requirement, the latter resulting in a significant increase in foreign tourist arrivals to 11 million from around 400,000 last year. At the same time, the government implemented measures to offset the impact of the pandemic on people and businesses through an emergency decree authorizing the Ministry of Finance to borrow an additional 500 billion baht. The Thai economy is expected to have expanded at 2.6% (YoY) from 1.5% in 2021, even as inflation accelerated to 6.1% from 1.2% in the previous year. At the same time, the Russia-Ukraine War contributed to a substantial rise in commodity prices and was a key factor in headline inflation accelerating beyond the Bank of Thailand (BOT)'s inflation target range of 1-3%. To combat this inflation, the BOT has begun to gradually adjust its monetary policy to normalization, raising its policy rate by 75 basis points to 1.25% at the end of 2022. Following this, financial costs of households and businesses have begun to rise as commercial banks have announced subsequent rate hikes of their own.

In 2023, the global economy is expected to slow down, with the World Bank most recently projecting expansion by 1.7% (YoY) from 2.9% the year before. Aggressive policy rate hikes in major economies such as the U.S. and Europe are expected to continue in the first half of the year to curtail inflation which, nevertheless, should remain above the central bank's inflation target range this year. These hikes increase the risk of economic recession and global trade stagnation. Meanwhile, many countries are reducing fiscal outlay as public debt levels rose significantly during the COVID-19 crisis. For the Thai economy, GDP growth is projected to grow by 3.3%, supported by healthy recovery in the tourism sector. Foreign tourist arrivals are projected at 24 million for this year, which will help increase employment related to the key tourism sector. Moreover, a hike in the minimum wage and farmer income, underpinned by the Farmers Income Insurance Scheme, will bolster private consumption growth this year.

However, exports are expected to slow down, in line with the global economy. Private investment is also expected to slow, in line with exports and uncertainty over transitional government policies following the election in the second quarter. On the monetary policy side, the BOT is likely to continue raising its policy rate to ease pressure from high inflation which is estimated to raise another 75 basis points to 2.0% at the end of 2023. Looking ahead, Thai economy is surrounded by a variety of risk factors, such as global recession risk, inflationary pressure, and delay in forming a new Thai government after the election. All of these mean that economic risk is skewed more towards the downside than the upside.

Vision, Mission, Values for Business Operations and Business Strategy

To align the goals and direction of the business units with those of TISCO Group, the Company has put into writing clearly defined statements outlining its Vision, Mission, and Values. Vision encompasses the ultimate goal of TISCO Group whereas Values are intrinsic attributes that management and staff apply to achieve goals and objectives.

Our **Vision** is encapsulated in the motto “Wealth of Possibilities”.

Our **Mission** statement is as follows: “TISCO is a quality growth organization with a strong customer priority, committed to delivering valuable financial services with mastery and professionalism. Our promise is to provide financial services that address customer needs across all geographies, to focus on creative financial solutions, and to advise on financial opportunities suitable for the various life stages of our customers. Continuous human capital development and leading-edge technological investments are key to keeping our service efficient and reliable. TISCO also seeks to foster a culture of integrity, fairness, and transparency that creates sustainable value for our customers, shareholders, staff, and society”.

Our **Core Values** are the essence of the services we offer our customers and the qualities we cultivate and seek in our people. Through induction, training and comprehensive corporate guidelines, these values are transferred into TISCO's culture and shape our professional attitude. TISCO's core values consist of:

- 1) **Mastery** Our staff are obligated to continually learn and develop themselves, striving for outstanding capabilities and skills to maximize customer satisfaction.
- 2) **Integrity** All of our employees must conduct themselves with honesty and follow a code of ethics of the highest standards.
- 3) **Reliability** The organization creates added value in our financial services through the professional skills and reliable performance of our team.
- 4) **Advice** Because our staff hold a wide range of financial expertise, we can provide customers the best financial advisory service in a friendly and open-minded manner, understanding exactly what they need so we can help them achieve their goals.
- 5) **Creativity** Our expertise derives not only from deep industry knowledge and experience, but also from our creativity. Supplied with advice that is accurate as well as creative, our clients enjoy a wider breadth of financial possibilities.
- 6) **Learning** TISCO's employees approach learning with enthusiasm in order to enhance future skills and position themselves for global changes. A deeper knowledge bank can also be fruitful by raising overall service standards beyond customer expectations.
- 7) **Empathy** Empathy is a key quality of TISCO's business as it ensures that concepts and methods applied are appropriate for efficient, sustainable response to the needs of stakeholders.

Strategic Plan

In formulating a 3-year business plan, TISCO considers both the external business environment and internal factors. The external business environment includes economic conditions, regulations, and government policies while internal factors are the Group's strengths, weaknesses, opportunities, risks, critical success factors as well as priority issues. Management takes all of these issues into consideration in determining a Corporate Theme and Core Business Strategy which aligns with the Vision of the Company. TISCO Group focuses on being a niche financial service company with selective focus strategies. The overall value proposition for our customers is built around TISCO's strong position as trusted financial advisor, life-time partner in financial services, and provider of value-added services. This position furthers our strategic objectives to sustain long-term growth and financial soundness while remaining resilient amidst the changing business environment as well as rapid changing of digital and technological environment. TISCO's strategic plan for 2023 focuses on the following:

- Reviving loan growth by focusing on secured loans that TISCO has expertise along with the prudent risk control.
- Boost fee-based income and expand client base in capital market, wealth management and bancassurance businesses with product varieties and 'Holistic Advisory' services.
- Improve competitiveness by enhancing digital platforms and utilizing innovations to increase business opportunities and provide comprehensive services that response clients' needs in digital era.
- Be a reliable financial institution with good corporate governance, with the integration of ESG concepts into all business activities to build trusts with all stakeholders

Important Changes and Developments During the Past Three Years

- In 2020, TISCO Securities announced a co-brand alliance with Jefferies Hong Kong Limited. Under this agreement, TISCO Securities aims to develop and provide equity research of Thai listed companies, in addition to offering investment advisory, trading facilities and corporate access services to the institutional investors of Jefferies worldwide. The co-brand alliance with Jefferies was effective from October 21, 2020-onwards.
TISCO also developed an online application for financial relief programs to help COVID-affected customers in the most effective manner. TISCO has assisted affected clients by easing their financial burdens since March 2020, in compliance with Bank of Thailand guidelines.
- In 2021, the COVID-19 pandemic was still severely impacting business operators. To mitigate client difficulties, the Company continued to provide assistance to affected customers in accordance with the assistance measures of the Bank of Thailand. These included the "Returning Cars, Ending Debts" program, which ended with TISCO providing support to over 3,800 clients. For corporate and SME clients, TISCO coordinated with the Bank of Thailand to restore business operations through two programs: the Soft Loan program and the Asset Warehousing program. TISCO also participated in debt restructuring for the multi-creditors business (DR BIZ) as requested by the Bank of Thailand, aiming to expedite the negotiation and debt restructuring process. In addition, TISCO expanded business partnerships in the automotive sector, broadening the auto-insurance service with two corporate groups: the Great Wall Motor (GWM) group and the Nissan Motor group under "Nissan Premium Protection (NPP)".
- In 2022, TISCO continually provided debt assistance program to affected clients in accordance with the assistance measures of the Bank of Thailand. For hire purchase customer, the "Returning Cars, Ending Debts" program, which ended with TISCO providing support to over 4,800 clients, accounted for total loan of 2,200 million baht together with carried out debt restructuring program for retail customers to mitigate client difficulties. For SME clients, The Company collaborated with the Bank of Thailand to provide assistance for SME clients via two measures: a Soft Loan scheme, Transformation Loan program as well

as debt restructure program. In terms of liquidity support for SMEs clients through Soft Loans scheme, the outstanding soft loans totaled approximately 3,100 million baht. In addition, TISCO partnered with Bangkok Life Assurance (BLA) in order to develop health and retirement insurance products as well as provide knowledge of retirement planning under “Megatrends Retirement Planning” which would protect and preserve the wealth of Thai people.

General Information

Company Name	:	TISCO Financial Group Public Company Limited
Stock Ticker	:	TISCO
Type of Business	:	Holding Company
Registration Number	:	0107551000223
Total registered capital	:	8,007,032,950 baht at par value of 10.00 baht per share
Paid-up Capital	:	8,006,554,830 baht comprised of 800,645,624 common shares and 9,859 preferred shares
Address	:	48/49 TISCO Tower, 21 st Fl., North Sathorn Road, Silom, Bangrak, Bangkok 10500
Telephone	:	(66) 2633 6000
Home Page	:	www.tisco.co.th

1.2 Nature of Business

Revenue structure of TISCO Group

	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
Interest Income	14,905	81.4	14,792	78.6	16,757	88.6
Interest Expense	(2,171)	(11.9)	(2,332)	(12.4)	(3,659)	(19.4)
Net Interest Income	12,734	69.4	12,460	66.2	13,098	69.3
Fees and Services Income	5,499	30.0	6,118	32.5	5,512	29.2
Commercial Banking Business	1,742	9.5	1,677	8.9	1,862	9.9
Capital Market Business	2,415	13.2	3,387	18.0	2,490	13.2
Other Businesses	1,342	7.3	1,054	5.6	1,160	6.1
Fees and Services Expense	(453)	(2.5)	(515)	(2.7)	(366)	(1.9)
Net Fees and Services Income	5,046	27.6	5,603	29.8	5,146	27.2
Gain (loss) on financial instruments measured at fair value through profit or loss and investments	89	0.5	410	2.2	270	1.5
Share of profit from investment under equity method	55	0.3	7	0.0	(2)	0.0
Dividend income	73	0.4	70	0.4	59	0.3
Other operating income	308	1.7	273	1.5	333	1.8
Non-Interest Income	5,571	30.4	6,363	33.8	5,806	30.7
Total operating income	18,305	100.0	18,823	100.0	18,904	100.0

Information on Products and Services

1) Types of Products/Services and Business Innovation Development

Retail Banking

The Retail Banking group provides loan services to retail customers and SME customers, including retail loans, commercial lending, and bancassurance.

- **Retail Loans**

Retail loans consist of loan services offered to individuals seeking funding for specific consumption purposes. This segment can be classified by loan purpose as follows:

Hire-Purchase Financing is operated by TISCO Bank Plc, Hi-Way Co., Ltd, TISCO Tokyo Leasing Co., Ltd and HTC Leasing Co., Ltd and allows borrowers to buy assets under hire-purchase terms. The buyer makes a down payment at a predetermined proportion of asset value and pays equal installment amounts over a contract period. Ownership of the asset is then transferred to the buyer after all installments are paid. Contract periods range from 1 to 8 years. A fixed interest rate is charged, in line with the market rate on the contract date. TISCO Group provides hire-purchase loans for all types and models of new and used automobiles. This includes passenger cars, multipurpose vehicles, motorcycles, and commercial vehicles such as sedans, trucks, excavators, and trailers. In addition, hire-purchase financing offers loans for buying machinery and equipment for commercial purposes such as printing machines, medical equipment, construction equipment, etc.

In 2022, the Company focused on quality loan growth with prudent credit underwriting and asset quality control. At the same time, the Company emphasis more on used cars, trucks and machineries, of which had potential growth amid the period of semiconductor chip shortage that caused an insufficient new car supply. Moreover, staff training and development were carried out to boost business volume in these potential areas. Also, the Company continued to provide assistance programs in accordance with the BOT's guidelines as well as long-term debt restructuring to ease the financial burden of clients. The "Returning Cars, Ending Debts" program was offered to hire purchase and auto title clients who were severely impacted by COVID-19 to pass the difficulty period in a sustainable manner. In addition, the Company enhanced the capabilities of the "TISCO My Car" application by adding new functions that facilitate self-service transactions and increase accessibility anytime, anywhere.

Consumer Loans, primarily offered by TISCO Bank, are in accordance with market needs and have a strong focus on acceptable risk-adjusted return on capital (RAROC). The consumer loans segment has 3 main categories, which consist of mortgage loans, home equity loans, and loan against auto license (title loans).

- **Mortgage Loans/Home Equity Loans** are granted to acquire residential property and for refinancing. The repayment terms vary from 3 to 30 years with full collateral. The interest rates of mortgage loans are either a floating rate or combination of fixed and floating rates which shall be used as a fixed interest rate for a pre-defined period, such as 1-3 years. Moreover, TISCO provides home equity loans which are multi-purpose loans using real estate as collateral. The maximum credit line is 80% of appraised value with an installment period of up to 15 years.

- **Title loans** are operated by TISCO Bank PLC. and Hi-Way Co., Ltd. under the brands "TISCO Auto Cash" and "Somwang Ngern Sang Dai." These loans allow vehicle owners to utilize their vehicles without officially transferring the ownership of the vehicle registration upon signing the contract; however, the vehicle registration must be presented and kept by the bank as a form of collateral. This loan is available to all individuals and business owners who possess any kinds of vehicles. It is suitable for borrowers who are looking for a short-term fund to finance their business, use as a revolving fund, or reserve for family expense.

In 2022, the COVID-19 situation eased, the restrictions were slowly lifted, businesses began operating as normal. As a result, there were an increasing demand for credit and working capital to finance their business. The Company has continually developed products and service channels to enhance customer convenience. One of the

newly services is namely "Easy Money," which allows clients to withdraw additional amounts of money under the original loan contract. The customer can access through numerous of service channels including call center, bank branches, Somwang branches, and the mobile application "TISCO My Car." Additionally, the Company launched several campaigns to support customers who had liquidity problems and needed help managing their financial burdens in order to fit their income without relying on informal loans. These campaigns included "Debt consolidation" and "Pay less Happy more", etc. In addition, the Company has adjusted the credit criteria to make it easier for client who have vehicle to access funding sources. To commemorate the 10th anniversary of Somwang, the Company recently launched a new campaign called "Fast & Easy ". This loan can be applied regardless of your line of work, and the results of the approval process will be available in two hours. The Company continued to expand Somwang branches across the country to better serve the customers. At the end of 2022, there were 450 Somwang branches nationwide.

- **Commercial Lending**

Commercial lending provides commercial credit facilities, mainly to small and medium-sized businesses (SMEs), such as inventory financing for car dealers, working capital loans, and hire-purchase loans for commercial assets such as commercial trucks, bus, machinery, and medical equipment, as well as commercial loans with a credit guarantee from the Thai Credit Guarantee Corporation (TCG).

After the relaxation of COVID-19 control measures, business sector has resumed their investment project. However, some businesses had impacted by the pandemic. The Company, in collaboration with the Bank of Thailand, provided assistance programs for SME clients via two measures: a new 'Soft Loan' scheme and the 'Transformation Loan' program. The new 'Soft Loan' scheme offered liquidity injection for businesses impacted by a decline in income and liquidity shortage from the pandemic. Existing clients were offered a loan of up to 30% of their previous credit line, while new clients were offered a loan of up to 50 million baht with an interest rate charged at 2% per annum in the first 2 years and an average 5-year interest rate not exceeding 5%. The government will compensate for the first 6-month interest rate without loan service and guarantee by TCG by charged fee of 1.00% per annum for 5 years. Secondly, the Transformation Loan program was for clients with potential business outlook and an objective for a more sustainable business. Clients could receive a loan of up to 150 million baht with an interest rate charged at 2% per annum in the first 2 years and an average 5-year interest rate not exceeding 5%. The government will compensate for the first 6-month interest rate without front-end fee.

- **Bancassurance**

TISCO Bank Plc, TISCO Insurance Solution, and Hi-Way Co., Ltd. have Insurance Broker licenses for both life and non-life, covering various types of insurance, from the Department of Insurance under the Ministry of Commerce and the Office of Insurance Commission. TISCO has put more emphasis on selecting and developing both life and non-life insurance products to suit customer needs and risk profiles by working in collaboration with many well-known insurance companies who have strong financial positions and product expertise in different areas. The Open Architecture platform enables TISCO to select and develop best-in-class insurance products for customers, including life and non-life insurance, in particular healthcare and critical illness insurance.

In 2022, TISCO focused on bringing our expertise in the insurance brokerage business while expanding non-life protection product-on-shelf to serve customers need in particular individuals and business partners. For the individual customer's segment, the Company focused on developing digital sales supporting tools as well as online insurance products including motor insurance, health insurance, accident insurance, compensation insurance for accidents from using motor vehicles, and life insurance in response to customer's behavior in the modern era. For the business partners in automotive industry, TISCO focused on creating Motor Insurance Ecosystem by supporting our business partners to receive motor insurance coverage and provided fully integrated after sales services for customers to receive convenience through LINE Official channel including reporting accidents, finding certified body and paint dealer garage services, claims advisory services, and providing continuous coverage under Branded Insurance Program for Ford cars group under "Ford Ensure", Mazda cars group under "Mazda Premium Insurance"

(MPI), Nissan Motor Thailand group (NMT) under “Nissan Premium Protection” (NPP), and Great Wall Motor cars group (GWM), Moreover, TISCO looked for opportunities in expanding business partners to other industries.

In addition to looking for opportunities in expanding business partners and strive developing insurance products, TISCO Group also understands the needs and behaviors of the customers in the modern era, who are seeking for convenience and reach insurance services quickly and safely, by developing insurance advisory services and after sale services through LINE Official account “ TISCO Insure” , while remaining committed to contributing back to the society with its fifth consecutive year of the “Fighting Cancer” program through which the Company donates part of its income from selling healthcare and critical illness insurance to the Ramathibodi Foundation to support research on pediatric cancer for five consecutive years.

Corporate Banking

The Corporate Banking group provides fund raising services to corporate clients, as well as corporate lending and investment banking services. Details are provided as follows:

- **Corporate Lending**

Operated by TISCO Bank, commercial finance facilities are provided to large corporate clients for commercial purposes, including loans and related services such as guarantees, aval, loan arrangement services and loan restructuring. Commercial lending is classified by the following service types:

Working Capital Loans fill needs for business liquidity and cash flow, especially for industrial and seasonal businesses, by facilitating loans for buying raw materials and inventory, and loans for accounts payable repayments. The revolving loans have repayment terms set for within one year. The terms and conditions of such loans are subject to credit review annually.

Project and Term Loans fill the specific needs of medium or long-term business development projects. The loans utilization will be identified for indicated purposes and the Bank is able to verify the progress of project development. This segment mainly consists of term loans which have a repayment schedule in line with the timeline, progress, and cash flow of the project. The Bank’s policy is to support industry and manufacturing in all business areas, especially those that support national development. Project and term loans are generally offered for building factories, offices or business expansion, property development, infrastructure construction, and project bids, such as for power plants, or for buying industrial machinery.

Other Commercial Loans The Bank also provides credit for other commercial purposes such as loans against deposits or liquid assets with short or medium terms, using liquid assets as collateral. This segment includes loans for investment, specifically medium or long-term funds which investors use to buy assets, such as property, which they then use as collateral, with the terms and conditions of the loan set according to the assets earning ability.

Guarantee and Aval Services The Bank provides guarantees and aval services for our clients’ business partners by issuing project bidding bonds, performance bonds and purchase guarantee letters to manufacturers. Terms of the letters of guarantee are flexible and made to suit the beneficiary’s needs.

Loan Consultancy and Related Services The Bank provides full loan consultation services in such areas as financial structuring and debt restructuring, and is also a syndicated loan arranger, facility agent, and security agent.

- **Investment Banking**

TISCO Securities Co., Ltd. is a leader in investment banking with more than 50 years of providing superior service to both corporate and government-related clients. Staffed by highly experienced professionals, TISCO Securities Co., Ltd. specializes in analysis of many essential industries, such as energy & utilities, petrochemicals, telecommunications, transportation & logistics, banking & financial institutions, and manufacturing, while boasting a wealth of experience in the equity and debt markets, both domestically and internationally. TISCO Securities Co., Ltd. has been approved by the SEC to provide financial advisory services and has been granted an underwriting license from the Ministry of Finance. Financial advisory and underwriting services cover various types of instruments,

including equity, debt, and convertible instruments. Moreover, TISCO Securities Co., Ltd. provides financial advisory services for mergers & acquisitions, privatization advisory and implementation, project financing, debt restructuring, feasibility study, project valuation, and general advisory.

In 2022, TISCO's investment banking arm provided customers with various financial advisory services, including issuance & offering of equity securities, mergers & acquisitions, and project valuation in various industries, such as energy & alternative energy, construction, leasehold rights of warehouses and factories, and leasehold rights of office and commercial space. The highlighted transactions in 2022 include the financial advisory for an initial public offering (IPO) of Asian Alliance International Public Company Limited, and the independent financial advisory for the shareholders of Total Access Communication Public Company Limited for the Amalgamation between Total Access Communication Public Company Limited and True Corporation Public Company Limited. In addition, the investment banking team was appointed as an underwriter for various initial public offering deals. Currently, the investment banking team is providing financial advisory for various companies.

Wealth & Asset Management

TISCO offers a full range of financial and investment advisory services, aiming to be a “Top Holistic House” that provides comprehensive wealth management services, including banking, securities brokerage, and asset management under the brand “TISCO Wealth”. Our professional relationship managers provide at-hand advice and recommendations on both onshore and offshore investment instruments as well as protection products for clients. Furthermore, TISCO has expanded client investment opportunities through an Open Architecture platform that offers mutual fund trading and insurance. The platform enables customers to invest in various mutual funds from 14 leading asset management companies, including TISCO Asset Management, and to purchase protection plans from 8 leading insurance companies with fund selection and comprehensive wealth advisory services offered as a one-stop service at TISCO Bank's branches nationwide.

TISCO aims to expand its individual client base, enlarging assets under management, enhancing staff service capabilities, in parallel with improving digital services. In 2023, TISCO Wealth continued to focus on service excellence as a customer-centric “Holistic Financial Advisory”. As Thailand is becoming an aging society, TISCO Wealth has transformed its retirement planning to be in alignment with current and future demographic themes under the theme of “Megatrend Retirement Planning” by integrating “Wealth Creation” and “Wealth Protection” to stay abreast of future trends by leveraging of strengths including 1) Good Products: Offering the most suitable products for our customers on insurance products and mutual funds from leading asset management companies; 2) Good Research: Bespoke financial planning and access to research from “TISCO Investment Portfolio Strategy”, which provides in-depth analysis of economic outlook and recommended strategies for portfolio management across various global assets and adjusted communication pattern for easier to reach customers according to their changing lifestyles; and 3) Good Advice: Service from investment advisors with Single Licenses who aim to become financial planners that can respond to a wider range of customer needs. In parallel, TISCO Wealth is continuing to develop its digital platform, increasing the application capability of the banking, asset management, and brokerage arms to be more in line with customer needs. The Wealth & Asset Management group provides services, as seen below:

- **Private Banking**

TISCO provides comprehensive global financial and investment advisory services across multiple asset classes, including deposits, fixed income, equities, and alternative assets. Services are offered to high net-worth clients with investment of more than 20 million baht by professional investment advisors who are competent, skilled in maintaining close relationships with clients, and deeply experienced in investment management.

- **Wealth Advisory**

Currently, we are well aware of aging society becoming more explicit. Therefore, the forming trend combining with our strength on financial advisory, and our capability as open-architecture mutual fund selling agent who is authorized to sell 14 Asset management companies (AMCs)' funds and summing up to more than 500 funds on our recommendation. Also, we are open-architecture insurance agent who has partnerships with 8 insurance companies so that we are capable to select variety of products that are suitable with clients in any phases of their life to optimize return sustainably according to their personally financial targets. Regarding of our mentioned strength, we are the first commercial bank that focuses on specialized retirement planning services which belongs to our outstanding position on holistic advisory. Moreover, to strengthening on our retirement planning service capabilities, the Company has worked in collaboration with Bangkok Life Assurance (BLA), who is leading insurance company, to develop retirement insurance products which focuses on living benefits, flat-payment health insurance, serious-disease health insurance with high protection amount, with an aim to offer modern retirement solution for the current trend.

TISCO offers a variety of deposit products and related financial transaction services. In recent years, customer behavior has been fast-changing, especially the shift to the digital channel. TISCO Bank launched "TISCO My Wealth", a mobile application developed from customer data trends and to respond to customer demand. In essence, the Bank's investment advisory has integrated the competency of wealth managers with the utilization of digital technology to form "Hybrid Advisory" services. Design of such services is customer-centric and aimed at facilitating self-transactions that cover a range of financial transactions and investments. In 2022, TISCO My Wealth has 3 new features 1) Online account opening and ATS registering for 3 banks without any document needed through TISCO My Wealth application. To open a mutual fund account, customers could be verified themselves digitally (NDID) without having to physically go to anywhere. 2) Buying and selling mutual fund from 14 AMCs can be done by customers digitally as well as 24-hour performance tracking which links with Streaming Fund+ with a single sign on. 3) Providing news, research, investment analysis and funds recommendations from leading AMCs. Nevertheless, TISCO aim to improve TISCO My Wealth application to provide even more holistic financial services in order to better serve customers' needs.

- **Private Sales Brokerage**

Private Sales Brokerage is operated by TISCO Securities Co., Ltd ("TISCO Securities") which is member number two on the Stock Exchange of Thailand, offering brokerage services including investing in securities and derivatives, portfolio advisory, as well as a fund sales agent service (Open Architecture) via Streaming for Fund enabling customers to invest in various funds from 10 leading asset management companies including TISCO Asset management. Apart from domestic investment, TISCO Securities also provides trading services, TISCO Global Trade, for international markets. The service provides investment opportunities for customers seeking to invest in world-class companies in five leading markets: the United States of America, the United Kingdom, Japan, Hong Kong, and Singapore. In 2022, TISCO Securities allowed to trade Fractional Depository Receipt as one of the choices investing in international markets which customers could trade according to each market's time zone.

TISCO Securities provides services to retail clients through the head office in Bangkok and four other branches upcountry: Chiang Mai, Nakhon Pathom, Nakhon Ratchasima, and Udon Thani. In 2022, TISCO Securities developed an electronic account opening (e-Opening) system that allows for the opening of equity trading, derivatives, and fund trading accounts. Other services were improved, including online service (e-Service) and the Mobile Application in order to facilitate customer usage and support an increase in the number of online transactions from retail investors in the future. TISCO Securities taps investment advisors' knowledge to offer the best services to customers, including fund information and asset allocation which align with the Thai and global economic situations. To broaden access to research for retail investors, TISCO Securities has developed TISCO Guru Plus, a stock investment application in which investors can search for stocks according to their investment style with a model portfolio function. The application also provides real time research publications with an investor notification option.

TISCO Securities has continually promoted marketing activities and provided seminars which provide investment knowledge to investors as well as our marketing staff in order to provide the best possible service for customers.

- **Institutional Brokerage**

TISCO Securities Co., Ltd provides institutional brokerage services via a highly experienced and professional team with a great reliability and good long term relationship with clients for over 50 years. Additionally, TISCO team continues to improve the quality of research team including equity research, industry research, investment strategy and domestic and global macroeconomic research, in order to serve the needs of both local and foreign institutional investors. TISCO Securities also emphasizes on business ethics and good governance. As a result, this has contributed to a continual and consistent growth in market share of local institutional investors. As a reflection of our outstanding services, TISCO was voted the Best Domestic Brokerage in Thailand for 2021, and Best Domestic Brokerage in Thailand, 2nd rank in 2022 from the survey by global institutional investing firms and wealth management firms organized by Asiamoney, a leading financial magazine in the Asia-Pacific region. TISCO Securities is also now collaborating with Jefferies Hong Kong Limited, a leading global investment banker, to provide securities research of Thai companies and brokerage services for international investors. This collaboration has reinforced TISCO Securities' position as a leader in investment advisory.

- **Asset Management**

TISCO Asset Management Co., Ltd. operates provident funds, private funds, and mutual fund management as permitted under mutual fund and private fund management licenses granted by the Ministry of Finance. Details are as follows:

Provident Funds: TISCO Asset Management Co., Ltd provides provident fund management and advisory services for establishment of provident funds and registrar and advisory services for provident fund committees. Fund investments cover multiple asset classes, including bonds, debentures, equities, and mutual funds covering both domestic and international.

In 2022, economy started to recover from the spread of COVID-19 with the promising outlook but remain fragile. During 2022, TISCO Asset Management was trusted by 300 new companies to manage their provident funds. Moreover, there were provident fund transfers from many medium and big funds such as Chevron (Thailand) Co., Ltd, Siam Toyota Manufacturing Co., Ltd, Michelin Siam Co., Ltd, and Government Savings Bank, with the total fund size of over 9,850 million baht transferred to TISCO Asset Management.

TISCO Asset Management continued to develop services to fund members through digital channel of LINE Official Account "Freedom by TISCO PVD", a service that allows provident fund members to provide balance inquiries with greater convenience. Moreover, it also covers retirement plan management with financial knowledge on savings, investments, debt management, protection, and tax and financial planning, in addition to privileges and activities for our provident fund members. There was also an addition of knowledge channel via YouTube "PVD Guru" that will provide all the answers and solve the problems regarding provident fund. In addition, TISCO Asset Management has started the program "Plod Nee, Mee Om" to help relieve debt obligations for provident fund members. This is one of our main intentions to help the members to achieve their financial goals for retirement and financial freedom.

Private Funds: TISCO Asset Management Co., Ltd provides private fund management services for both of individuals and legal entities. The private fund mandate is designed to match risk-return profile of each client with wide range of investment alternatives both onshore and offshore including equities, fixed income, and mutual funds. Investment policies are customized in accordance with investment goals, as well as the appropriate and acceptable risk level of each customer. Fund performance review and market update are provided to customers on a regular basis. At the end of 2022, assets under private fund management were over 70 billion baht with more than 170 accounts including high net worth persons, private companies, institutions, and offshore pension fund.

Mutual Funds: TISCO Asset Management Co. provides mutual funds on shelf for all customers including retail and high net worth clients as well as any legal entities, in various channels e.g., TISCO Asset, TISCO Bank, TISCO Securities, selling agents, and online trading platform (e-invest for internet trading, and My Funds for mobile application). It has been for many years that we keep launching new funds with different themes and different strategies investing in Thai market and also in many countries globally in order to provide various investment choices for our clients. Currently, TISCO Asset has over 150 open-ended mutual funds on shelf with various investment strategies both of onshore and offshore, and for investment and for tax saving purpose including RMF, SSF, and RMF for PVD. In addition to well known as having various mutual fund products, TISCO Asset has strong and consistent investment performance especially on Thai equity. Most of our Thai equity funds have been rated 5-star from Morningstar Research Thailand. As a result of having strong and consistent performance on our Thai equity funds, our company was awarded the “Best Fund House – Domestic Equity” trophy from Morningstar Research Thailand in 2022.

- **Cash Management Services**

The Bank’s Cash Management Services include cash inflow and cash outflow management for corporate clients, aimed at enhancing operational efficiency and reducing operating costs for clients. Cash Management Services are across three business areas: TISCO Collection, TISCO Payment, and TISCO Liquidity Management. Additionally, TISCO E-Cash Management was introduced to facilitate business transactions, consolidate account information enquiries, and for payroll processing service for customers.

- **Custodian Services**

The Bank provides custodian services which include the safekeeping of client assets and securities, payment and delivery, and fiduciary duties such as acting as custodian for provident funds, private funds, juristic persons, and individuals, including confirmation of net asset value for provident funds.

Corporate Support

Corporate Affairs & CSR aim to promote business operational efficiency while ensuring that business ethics and a strong sense of social responsibility are incorporated into the core corporate values. Aiming for sustainable value creation for all stakeholders, TISCO has placed great emphasis on building a strong support network among our stakeholders to promote long-term social development, environmental awareness, and arts & cultural programs. Furthermore, all governance and support functions are centralized at the Company while subsidiary companies shall outsource all such activities back to the Company. These include the functions of Enterprise Risk Management, Corporate Governance, Human Resources Management, the Economic Strategy Unit, Data Analytics and Management, and Corporate Service and Procurement

In addition, TISCO has a Treasury Department unit under the Bank which is responsible for asset and liability management activities. These include the procurement of funding sources from local and foreign financial institutions and investing and trading of bonds so as to maximize return under the corporate guidelines and risk policy and in compliance with all related rules and regulations. The unit also manages liquidity in accordance with BOT regulations.

2) Market and Competition

Commercial Banking Business

As of December 31, 2022, there were 28 commercial banks in Thailand's entire commercial banking system, comprising 17 domestically-registered commercial banks and 11 subsidiaries and branches of foreign banks. At the end of 2022, TISCO Bank ranked eleventh in asset size among the domestically-registered commercial banks with market shares of assets, deposits, and net loans of 1.2%, 1.2% and 1.5%, respectively.

Net loans of the 17 domestically-registered commercial banks totaled 13.9 trillion baht, up by 2.7% (YoY) in line with Thai economy recovery from COVID-19 situation. At the end of 2022, lending rates of major four big banks increased. The average minimum lending rate (MLR) and the average minimum overdraft rate (MOR) increased from 5.31% to 5.83% and 5.85% to 6.34%, respectively. Meanwhile, the average minimum retail rate (MRR) increased from 6.03% to 6.21% (YoY). TISCO Bank's net loans totaled 203,982 million baht, grew by 8.4% (YoY)

Total industry deposits were at 15.9 trillion baht, up by 4.2% (YoY). At the end of 2022, the average 3-month fixed deposit rates of the Top-4 commercial banks increased from 0.33% to 0.61% (YoY). During the year, the Bank of Thailand hiked its policy rate 3 times from 0.50% to 1.25%. TISCO Bank's deposits totaled 189,834 million baht, increased by 13.0% (YoY).

(Unit: Million baht)

Commercial Banks	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
1. Bangkok Bank Plc.	3,840,076	17.8%	2,716,152	17.1%	2,096,756	15.1%
2. Kasikorn Bank Plc.	3,541,413	16.4%	2,719,710	17.1%	2,269,749	16.4%
3. Krung Thai Bank Plc.	3,502,329	16.2%	2,594,725	16.4%	2,361,277	17.0%
4. Siam Commercial Bank Plc.	3,360,645	15.5%	2,573,654	16.2%	2,185,054	15.7%
5. Bank of Ayudhya Plc.	2,450,911	11.3%	1,782,186	11.2%	1,680,008	12.1%
6. TMBThanachart Bank Plc.	1,818,511	8.4%	1,400,078	8.8%	1,323,737	9.5%
7. UOB Bank Plc.	823,860	3.8%	644,008	4.1%	558,158	4.0%
8. CIMB Thai Bank Plc.	491,729	2.3%	237,434	1.5%	226,408	1.6%
9. Kiatnakin Phatra Bank Plc.	487,246	2.3%	331,909	2.1%	366,616	2.6%
10. Land & House Bank Plc.	295,846	1.4%	231,432	1.5%	210,256	1.5%
11 TISCO Bank Plc.	250,912	1.2%	189,834	1.2%	203,982	1.5%
12. ICBC (Thai) Plc.	240,642	1.1%	162,990	1.0%	106,111	0.8%
13. Standard Chartered Bank (Thai) Plc.	165,696	0.8%	73,657	0.5%	30,065	0.2%
14. The Thai Credit Retail Bank Plc.	143,428	0.7%	113,622	0.7%	117,457	0.8%
15. Sumitomo Mitsui Bank (Thai) Plc..	108,255	0.5%	27,977	0.2%	71,909	0.5%
16. Bank of China (Thai) Plc	61,757	0.3%	43,060	0.3%	41,303	0.3%
17. Mega International Commercial Bank Plc.	31,988	0.1%	18,792	0.1%	27,550	0.2%
Total	21,615,244	100.0%	15,861,221	100.0%	13,876,397	100.0%

Source: Summary of Assets and Liabilities Statement (C.B. 1.1) Bank of Thailand

Year 2022 marked the return of BOT rate hikes as the Thai economy recovered from the pandemic and opened the door to normalization of monetary policy. BOT started to normalize its policy rate in August 2022, banks did not adjust benchmark rates until after the second hike in September 2022, enhancing net interest margin (NIM) from the third quarter of 2022 onwards. For performance of banking industry, Thai commercial banks recorded an increase in net profit of 26% (YoY) for 2022, attributed largely to NIM expansion and decreasing in ECL. Net interest income increased by 12% (YoY), but loan growth was surprisingly weak at 2.1% (YoY) owing primarily to loan repayments in the corporate segment. Net fee income disappointed as businesses related to the capital markets struggled. Banks started to spend on operational expenditures again amid topline expansion. Operational expenditures growth was more visible in personnel expenses, marketing expenses, and IT spending.

On the non-performing loan (NPL) side, the Bank of Thailand played a supportive role during the year by backing debt relief measures and relaxation of loan classification. Banks continued to clean up balance sheets, resulting in a lower reported NPL ratio of 2.73% for the sector (vs. 2.98% in 2021). But sector guidance shows caution on economic risks and a willingness to remain prudent regarding coverage ratio.

Looking ahead to 2023, Thailand's banking industry is expected to benefit from BOT rate hikes, especially in 1H23. Ongoing policy normalization should enhance NIM, and thus bottom line. When the rate hike cycle ends, NIM expansion should stop as well. Without policy rate hikes, banks cannot adjust rates further. Domestic economic recovery is uneven although there is some support from the pickup in Chinese tourists. Economic slowdown may drag the performance of the Thai banking sector, mainly via higher credit cost, slower loan growth, and lower Non-Interest Income related to asset prices. Additionally, concerns over asset quality poses downside risk to momentum. Nevertheless, NPLs are expected to remain stable for another year with help from the BOT's "comprehensive restructuring program", which were implemented in late 2021 and will run until December 2023. Even with stable NPLs, banks are likely to keep credit cost elevated to cushion against future downside risk. Hence, sector earnings recovery should be very gradual.

- Hire Purchase Business

In 2022, competition in the hire purchase business remained intense driven by the offering of competitive financial terms & conditions, together with the recovery of consumer's purchasing power and confidence after COVID-19 has subsided. Therefore, total domestic car sales were at 849,388 units, increased by 11.9% (YoY). Moreover, electronic vehicles (EVs) received a great amount of interest, causing the EVs manufacturers such as Great Wall Motors (GWM), BYD, NETA and Tesla to launch new car models, combined with attractive promotional campaigns to attract customers. Additionally, the government also supported the use of EV cars through the tax subsidy. Nonetheless, the hire purchase business has become more challenging due to the stricter regulatory laws and new regulations on interest rate ceiling and the closing account adjustment. The hire purchase financing for used cars continued its growth momentum since the previous year, due to the more aggressive financing activities amid a strong demand for used cars. Demand for used cars remained ample which was caused by the auto-part shortage problem affecting supply-demand in the new car market.

- Wealth Management Business

The high-income segment accounts for around only 1% of Thailand's total population but possesses an asset value of more than 80% of Thailand's total wealth with continuous growth. Seeking growth opportunities as well as global wealth management services, wealth-segment clients are demanding financial advice in numerous financial areas and look for investment instruments and service channels tools to manage their wealth. In line with these trends, market competition has intensified among global players, especially foreign private-banking houses, including joint ventures between local and global private banking businesses, with a focus on private and personalized financial services. Furthermore, the digital-adoption trend currently forces players to develop digital platforms to raise their level of service and provide holistic financial solutions to clients whose needs are changing over time. In addition, some banks have collaborated with leading foreign private banks to provide a broader range of foreign investment services.

Securities Brokerage

During the first half of 2022, the Thai capital markets saw significant volatilities due to an unprecedented inflation surge. This was caused by global reopening which led to supply chain bottleneck and labor shortage, the Ukraine war which led to a sharp increase in commodities prices such as crude oil and gas. As a result, the US Federal Reserve raised the Fed Funds rate causing negatively impacted asset price globally. Meanwhile, the Thai stock market was partially shielded from these events thanks to the prospect of improving the current account deficit due to a strong pick-up in tourist arrival. However, Thai export suffered from the slowdown in global trade. As a result, the SET index ended the year right back where it began at 1,668.66 points, Unlike in 2021 and 2020, Foreign

investors were net buyers with net buying volume of 202,694 million baht after continually selling since 2017. Conversely, local institutions were net sellers at 157,302 million baht, followed by retail investors at 45,392 million baht. However, the market trading value suffered substantially. In 2022, the average daily turnover was at 71,226 million baht, down by 19.5% (YoY) from 88,443 million baht in 2021 mainly from retail investors as their overall trading value fell by 34.9%, while local institutions fell by 21.4%. However, foreign traded value was stable. As a result of these changes, foreign investor trade dominated the market in 2022, accounting for 48.0% of the total value trade in 2022 vs. 39.2% in 2021. The proportion of retail investors and local institutional shares fell from 43.9% to 35.5% and from 16.9% to 16.5% (YoY), respectively.

Capital market conditions and TISCO's market share

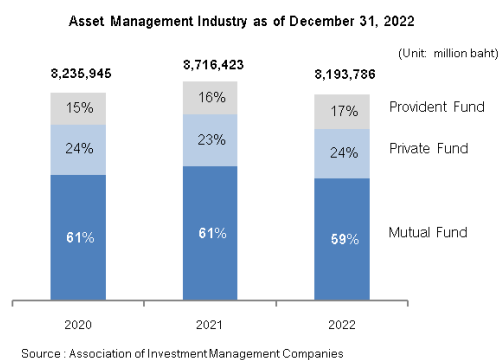
	2022	2021	2020
SET index (points)	1,668.66	1,657.62	1,449.35
Market capitalization (million baht)	20,440,931	19,538,095	16,107,633
Trading turnover (million baht)	17,165,507	21,314,782	16,362,358
Average daily turnover (million baht)	71,226	88,443	67,335
Dividend yield (%)	2.50	2.10	3.32
Price to earnings ratio (times)	18.16	20.78	28.84
Number of listed companies on the SET	612	593	568
Derivative contract volume (contracts)	136,316,012	135,117,308	120,193,573
TISCO Securities Market Share (exclude proprietary trade)	1.29%	1.30%	1.47%

Source: The Stock Exchange of Thailand

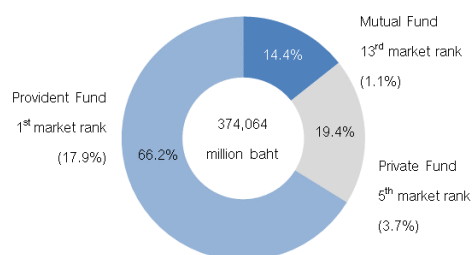
As was the case in 2021, the brokerage market competition remained fierce as most market players adopted price-cutting strategies and/or issued IPOs to expand market share, especially in margin loan service, which had been growing since 2020. This resulted in a downtrend in brokerage commission income, while brokerage firms that provided margin loan service to customers saw a significant increase in interest income. The foreign investor segment saw the lowest margin as most transactions were from direct market access. Some market players adopted revenue diversification strategies, tapping new sources of income, including proprietary trading, derivatives warrants, derivatives trading, block trade and securities borrowing and lending, fund sales, and global equity market services to offset declining revenue from commission fees. Moreover, the trading service of brokerage firms changed from Execution-only service to Portfolio Advisory with Execution service and Investment Strategy per customer goals and risk appetite. Open Architecture service also offered mutual funds product from AMCs to enhance client investment opportunities. TISCO Securities Co., Ltd has no policy for aggressive price cutting, focusing instead on serving existing and fundamental investors rather than speculative investors by producing high-quality research for local and foreign institutional investors. TISCO Securities Co., Ltd also provides portfolio advisory services as an alternative for investors. As of December 31, 2022, the market share of TISCO Securities Co., Ltd (excluding proprietary trading) was 1.29%.

Asset Management Business

For the asset management industry, there are 26 players in Thailand, including asset management companies, commercial banks, securities companies, and insurance companies. As of December 31, 2022, the assets under management of the asset management market totaled 8,193,786 million baht, decreased by 6.0% (YoY), with the biggest contribution from the mutual fund and private fund businesses. For the mutual fund business, assets under management totaled at 4,844,553 million baht, decreased by 9.2% (YoY) while private fund AUM totaled 1,966,329 million baht, also decreased by 3.8% (YoY). Meanwhile, provident funds totaled 1,382,904 million baht, increased by 3.4% (YoY). At the end of 2022, TISCO Asset Management's market share in provident funds, private funds, and mutual funds was 17.9%, 3.7%, and 1.1%, respectively.



TISCO's asset under management by type of fund business as of December 31, 2022



The year 2022 was one of the rough years for Thai mutual fund industry amidst extremely volatile market both of equities and bonds, all over the world. As a result, mutual fund investors were very cautious in taking action and reluctant to invest more in mutual funds especially equity funds. Asset management companies were in difficult time and launched less new IPOs with very small size compared with the previous year. The industry AUM shrank sharply by more than 500 billion baht or 9% in 2022 (as of December 2022). Half of the decrease was from lower market value of equity funds, and around 200 billion baht was from fund outflows of fixed income funds. For TISCO Asset, the AUM largely declined more than the industry due to higher proportion of funds from offshore equity funds. However, during the last quarter of 2022, the market sentiment has been improving due to less inflation pressure and showing sign of trending down. In addition, China has also signaled the reopening of the country, which is expected to have strong impact to the world economy. At the end of 2022, TISCO Asset's AUM was around 53,700 billion baht, declining by 19.9% from the previous year.

For the private fund industry, asset under management in 2022 contracted by 3.8% (YoY) to 1.97 trillion baht, resulting from fund outflow and a decline of market value especially from equity asset class amidst high inflationary pressure and rising interest rate worldwide. Competition is still intense in the segment of institution clients with large asset size. Competitors play on cutthroat pricing to win the private fund mandate. However, for high-net-worth client segment, customers still weight on reputation of the organization and the investment performance more than just pricing. In contrast to the industry, TISCO Asset still showed a growth of as high as 9.0% (YoY) to the AUM of 72 billion baht (as of December 2022), mainly due to inflows from existing institution clients. There are 176 funds under management ranked at the 5th market share in the private fund industry.

Provident fund industry in 2022 expanded by 3.4% (YoY) albeit it was affected by market volatility. Meanwhile, TISCO Asset managed 60 provident funds, accounting for assets under management (AUM) of 247,652 million baht, up 9.0% (YoY). TISCO Asset Management has been trusted by more than 300 new companies for being their provident fund manager and TISCO Asset Management has received medium and big funds transferring totaled of 9,850 million baht. At the end of 2022, TISCO Asset Management has 4,970 companies with 690,834 members to manage. Nevertheless, the market share of TISCO's provident fund business was 17.9%, holding first place in the overall market.

Awards and Recognition in 2022

TISCO Financial Group Public Company Limited

Business Performance

Stock Exchange of Thailand

- Outstanding Company Performance Award (5th consecutive year)
- Outstanding Deal Awards 2022
- Business Excellence Deal of the Year Awards 2022

Money & Banking Thailand

- Best Public Company 2022 in Financial Sector (2nd consecutive year)

Branding

Chulalongkorn University

- Thailand's Top Corporate Brand 2022 in Banking Sector (2nd year)

Corporate Governance

Stock Exchange of Thailand

- Rising Star Sustainability Excellence Awards (1st Year)

Collective Action Against Corruption

- CAC Membership (3rd Round)

Thaipat Institute

- 100 listed companies with outstanding ESG performance - the ESG 100 in 2022 (8th consecutive year)
- The Sustainability Disclosure in 2022 (4th consecutive year)

Thai Investors Association

- A Perfect Score of 100 on the AGM Checklist Quality Assessment (8th recognition)

Thai Institute of Directors

- Excellent CG Scoring of Thai Listed Companies (16th consecutive year)

ASEAN Capital Markets Forum

- ASEAN Corporate Governance Scorecard 2021 Award (4th consecutive year) – ASEAN Asset Class CPLs.

Corporate Social Responsibility

The Securities and Exchange Commission, Thailand

- Thai Capital Market Sustainability Model Organization for Supporting People with Disabilities Outstanding Award Category 2022

TISCO Bank Public Company Limited

Transaction Banking

The Asset

- Best Individual in Trading, Thai Baht bonds (8th recognition)
- Top Sell-Side Firm in the Secondary Market (14th recognition)

Corporate Governance

Collective Action Against Corruption

- CAC Membership (3rd Round)

Corporate Social Responsibility

The Foundation for the Welfare of the Mentally Retarded of Thailand Under the Royal Patronage of Her Majesty the Queen

- Award for an Organization that Supports People with Intellectual and Developmental Disabilities

TISCO Asset Management Company Limited

Business Performance

Morningstar

- Best Fund House Winner: Best Domestic Equity House Awards 2022

Asia Asset Management

- Best of the Best Performance Awards 2022 in ASEAN Equity by Asia Asset Management

Products & Services

The Global Banking and Finance Review

- Decade of Excellence Provident Fund Management Thailand 2022 (5th Year)

Morningstar Thailand Fund Awards

- Best Thailand Equity Mid/Small Cap (3rd recognition)

Corporate Governance

Collective Action Against Corruption

- CAC Membership (3rd Round)

The Securities and Exchange Commission, Thailand

- Thai Capital Market Sustainability Model Organization Award Disability Support Outstanding Award Category 2022

TISCO Securities Company Limited

Products & Services

Asiamoney

- Best Domestic Brokerage in Thailand 2021

Investment Analysts Association

- Excellent investment analysis team Institutional Investor Line at the Best Analyst Awards

Corporate Governance

Collective Action Against Corruption

- CAC certified (3rd Round)

The Securities and Exchange Commission, Thailand

- Thai Capital Market Sustainability Model Organization Award Disability Support Outstanding Award Category 2022

Hi-Way Company Limited

Human Resources Management

The Kincentric Thailand and Sasin

- The Best Employer Thailand : Best Employer Hall of Fame 2022 (1st Year)

Marketing

Thailand Zocial Awards 2022

- Somwang received Best Brand Performance on Social Media in Financial Service Category (Leasing) 2022

3) Provision of Products and Services

Commercial Banking Business

- **Sources of Funds**

TISCO Group has specified a policy for management of funding that is in line with the business strategy and market conditions of each period, balanced between financial cost and liquidity risk management, and which maintains sufficient funding sources against the use of funds. In addition, the Company's major source of funds is deposits. As of December 31, 2022, the funding structure as shown in the consolidated financial statements was comprised of 222,623.81 million baht in liabilities and 42,790.62 million baht in shareholders' equity, resulting in a debt-to-equity ratio of 5.2 times. The major source of funds on the liabilities side was deposits, which accounted for 70.9% of total source of funds. Other sources of funds included interbank and money market items which accounted for 2.3% of total source of funds vs. 10.6% of debentures and other liabilities, and 16.1% of shareholders' equity.

- **Credit Granting Policy**

Commercial loans

TISCO Group (specified for TISCO Bank and credit granting companies) has a policy to emphasize prudent growth in commercial and retail lending. For each new credit approval, the Bank thoroughly considers the borrower's business potential, opportunities, ability to repay, collateral, and the rate of return that justifies the risk of each borrower. TISCO Group focuses on expanding its business into markets with acceptable risk/return and in which it has sufficient expertise. TISCO Group performs analysis of key risk characteristics prior to entering new markets.

Collateral policies vary by type of credit and are employed with effective procedures to stabilize collateral values under the specified conditions and to minimize potential losses. However, TISCO Group may selectively grant loans without collateral to certain borrowers judged to have high creditworthiness, on a case-by-case basis. For the appraisal of collateral values, the Bank has a policy to have the collateral appraised by an independent appraiser or the internal asset appraisal unit before any loan can be drawn. TISCO Group's Appraisal Sub-Committee is responsible for approving the appraisal value proposed by the internal unit and independent appraisers under the company's guidelines, in compliance with the regulations of the BOT.

TISCO Group has established prudent procedures for all credit approval to ensure high credit quality while maintaining customer satisfaction. Approved credit is reviewed and controlled, in compliance with overall credit policies.

The maximum credit terms are set in accordance with the regulations of the BOT. TISCO Group has constructed a pricing policy aligned with current market conditions, credit exposure, and cost of funds without any price undercutting strategy.

Retail loans

The hire-purchase business covers a large portion of the retail credit portfolio. TISCO Group has a policy to aggressively expand its hire-purchase business in this market with justified risk-adjusted returns. TISCO Group has established a standard approval process for the hire-purchase portfolio and other retail loan portfolios which includes a credit-scoring system developed from an internal database to effectively control and shorten the loan approval process.

Credit policies are regularly reviewed to reflect the current market situation and support loan expansion in a prudent manner, while maintaining appropriate risk-adjusted return. Meanwhile, TISCO Group has a policy to maintain highly competitive credit quality without resorting to a price-cutting policy. In this respect, focus is on enhancing quality of service and business relationships as tools vital for competition. For the collateral policy, hire-purchase assets are supported by adequate secondary markets and appropriate insurance strategies.

For mortgage loans, approved credit shall not exceed 90% of the collateral value with terms and conditions varying by type of collateral. Meanwhile other retail loans without collateral require higher interest rates to offset the higher risk assumed.

- **Credit Approval Limits and Authorities**

The Credit Committee is responsible for overseeing the credit approval process under the credit policies and guidelines set forth by the Executive Board. Credit approval policies are clearly stated, specifying the terms of credit limits and delegation of authority. All corporate loan transactions must be reviewed and approved by the Credit Committee while loan facilities which are considered material in size must be approved by the Executive Board.

For the retail credit portfolio which covers small transaction sizes, the credit approval process and delegation of authority varies by the credit limit and is controlled by the overall credit policies. Large retail credit must be approved by the Credit Committee or the Executive Board after reviewing the type and purpose of the loan, on a case-by-case basis.

For the hire purchase business, TISCO has implemented a credit-scoring system to assist the loan approval process, in which customer characteristics and loan terms and conditions are taken into consideration for computation of a credit score.

- **Credit Risk Management**

The Risk Management Committee of TISCO Group, comprised of senior management from key business lines, has been delegated the authority to set up policies, guidelines, and procedures for overall credit risk management, in compliance with the Consolidated Supervision principle of the Bank of Thailand. Meanwhile, the Credit Committee and Chief Credit Officer, who are in charge of the loan approval processes of each credit transaction, have set up guidelines for the delegation of approval authority at different levels for different types of facilities. The Problem Loan Committee is set up to monitor and follow up on problem loans and to set appropriate provisions for potential loan losses.

To ensure independence in carrying out the credit approval process and reporting to the Risk Management Committee, credit quality control functions are clearly separated from marketing functions. Moreover, credit review functions assigned by the Internal Control function and the Audit Committee are responsible for reviewing the ongoing credit approval processes and ensuring transparency in overall credit granting procedures.

A credit grading system has been adopted for credit risk assessment in both the corporate and retail credit portfolios, in accordance with the implementation of the Internal Ratings Based approach (IRB), resulting in greater efficiency in capital utilization in the long term.

To mitigate credit concentration risk, TISCO Group has set a concentration limit which defines the maximum credit exposure for each individual borrower or borrowing group. Moreover, concentration in a single sector is also controlled within an acceptable level and considered in combination with the sector's exposure to equity investment. TISCO Group complies with the regulations of the BOT concerning single lending limits.

- **Credit Collection**

TISCO Group regularly performs credit reviews of the loan portfolio and monitors problem accounts. The Credit Committee closely co-ordinates with credit departments and promptly follows up on accounts with potential problems after a missing payment is reported. In addition, Problem Loan Committee meetings are arranged to review the status of borrowers, set up debt collection schedules and follow-up procedures, pursue legal actions, and set aside provisions for loan losses. As part of the follow-up procedure, the credit officer reports to the Problem Loan Committee all restructured cases on a regular basis.

For the retail credit portfolio, TISCO Group strives to continuously improve the strategies and procedures for debt collection and follow-up, in line with the economic conditions and related laws and regulations, particularly with regard to notification from the Office of Consumer Protection. The primary collection and follow-up process includes collection, follow-up and asset repossession, legal process, and enforcement.

- **Debt restructuring**

The objective of debt restructuring is to resolve problem loans which have been affected by economic downturns or the borrower's financial difficulties. TISCO Group's procedures for debt restructuring involve various methods, such as relaxing of payment conditions, debt-to-asset conversion, debt-to-financial-instrument conversion, and debt-to-equity conversion.

Debt restructuring can be conducted with every borrower, regardless of status. The corporate lending function is responsible for the debt restructuring process, including the decision to select borrowers for restructuring.

The delegated officers will evaluate the borrower's credit qualities and related financial and operating environment and perform projections on repayment possibilities. In 2022, the Bank engaged in debt restructuring to support pandemic-impacted clients on a case-by-case basis.

For debt restructuring cases related to, both directly and indirectly, Bank directors or persons related to TISCO Group directors or management, the borrower's status, repayment ability and cash flow status must be evaluated by an independent financial institution or third party to ensure no conflict of interest with the Bank and the borrower. Under the regulations of the Bank of Thailand, all restructured loans are reclassified, provisioned for, and recalculated for impairment loss.

- **Capital Adequacy**

The Group has a policy to maintain capital that is adequate to safeguard against company risks in the long run, taking into account long-term solvency amid economic uncertainties and the adequacy of regulatory capital-to-risk asset ratios, as required by law. The Bank of Thailand's current capital adequacy ratio for banks registered in Thailand is 11.0%, whereas Tier-I Capital must be maintained at a level equal to at least 8.5% of risk assets.

The capital base of the Group remains strong with the Capital Adequacy Ratio exceeding the requirements of the BOT and sufficient to support forthcoming regulations concerning debt reclassification and provisions.

- **Liquidity Management**

The Risk Management Committee is responsible for monitoring and determining assets-to-liabilities direction and funding structure details. The Committee also establishes various liquidity limits to serve as early warning triggers, such as liquid assets, contractual maturity mismatch, funding concentration, and daily deposit/withdrawal levels. Furthermore, a liquidity contingency plan has been established to outline clear procedures and responsibilities for liquidity management in times of crisis.

The Treasury function, meanwhile, is responsible for daily liquidity management, securing of funding sources, and the use of funds, as required. The Treasury function is also responsible for managing the Bank's liquidity position to comply with internal guidelines and the regulatory requirements of the BOT.

- **Loan Classification, Provisions and Write-offs**

TISCO Group classifies financial assets into three groups (three-stage approach) in order to measure the allowance for expected credit loss. Classification of the financial assets is determined on the basis of the change in credit quality since the initial transaction date. Details are provided as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets with no significant increase in credit risk since the initial recognition date, the Group recognizes allowance for expected credit loss at an amount equal to a 12-month expected credit loss. For financial assets with maturities of less than 12 months, the Group uses a probability of default that corresponds to the remaining terms of the contract.

Group 2: Financial assets with significant increase in credit risk (Under-performing)

For financial assets with a significant increase in credit risk since the initial recognition date, but that are not credit-impaired, the Group recognizes expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial asset.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognizes expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial assets.

Capital Markets Business

- Sources of Funds

The sources of funds are mainly equity, operational cash flow, and loans from financial institutions for working capital purposes.

- Capital Adequacy Credit approval and authorization

TISCO Securities Co., Ltd. has a credit approval policy to screen qualified customers and provide customers with a solid understanding of securities trading. Credit lines for customers are based on the customer's financial status and collateral. The Executive Board of Directors has granted credit approval authority to the Credit Committee. While the Credit Committee alone approves high-volume credit lines, it has granted lesser authority to management to approve general credit lines which comply with the Credit Committee's guidelines and policy. Nonetheless, TISCO Securities Co., Ltd. provides transactions with cash balance account only.

- Capital Adequacy Ability

The Net Capital Rule (NCR) ratio of TISCO Securities Co., Ltd. as of December 31, 2022 was 61.1%, well above the 7.00% regulatory requirement of the SEC.

4) Business Assets

Main Fixed Assets for Business Operations

Premises and Equipment

As of December 31, 2020 – 2022, the Company and its subsidiaries' premises and equipment which are not used for mortgage and pledges, consisted of the following:

(Unit: Million baht)

	2022	2021	2020
Land	18	18	18
Premises, buildings, and building improvement	3,391	3,299	3,291
Furniture, fixtures, computers, and equipment	1,149	1,091	1,175
Vehicles	173	162	169
Total	4,731	4,570	4,653
<u>Less</u> Accumulated Depreciation	1,945	1,789	1,731
Land, premises, and equipment – Net	2,786	2,781	2,922

Right-of-use Agreement

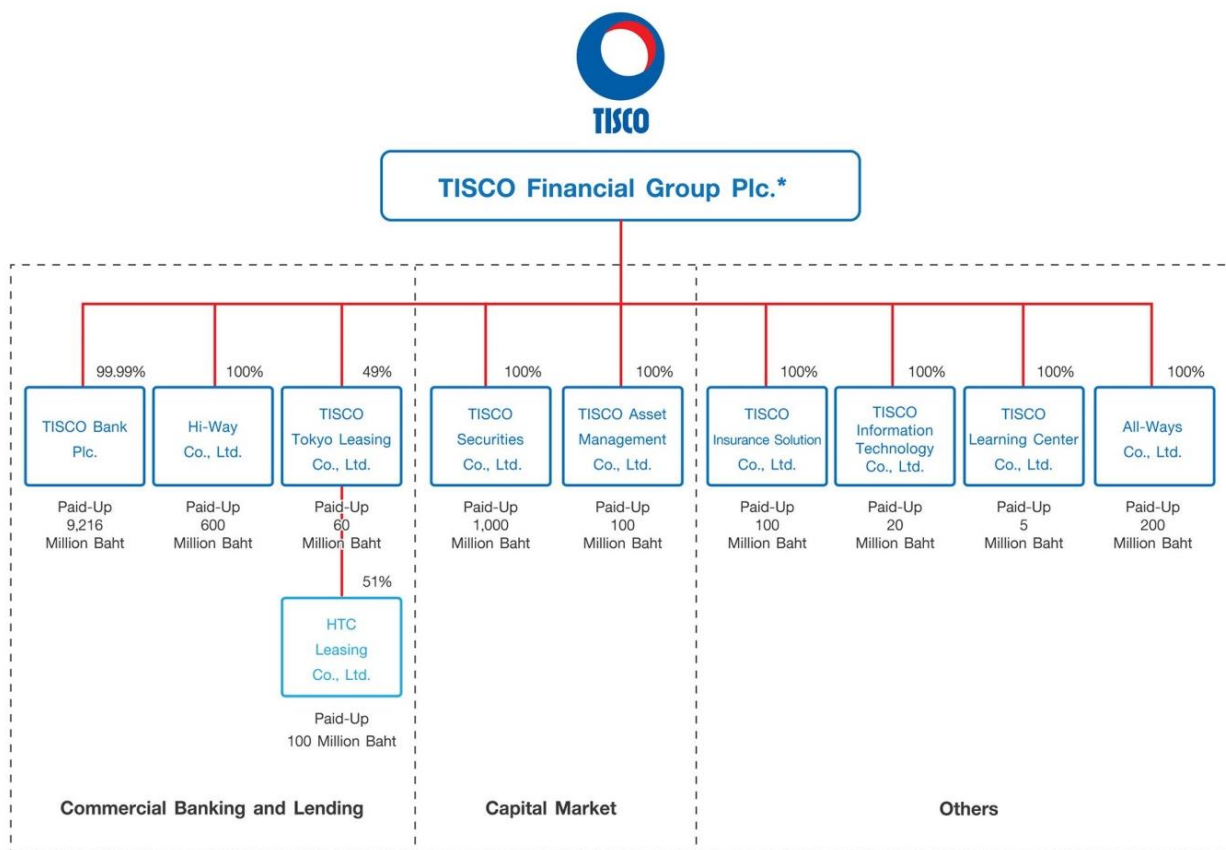
The Company and its subsidiaries have lease agreements and recognize right-of-use assets in accordance with TFRS 16.

	2022	2021
Book Value	1,463,449	1,206,655
<u>Less</u> Accumulated Depreciation	709,583	453,826
Net Book Value	753,866	752,829

1.3 Shareholding Structure

1.3.1 Shareholding Structure of TISCO Group

As TISCO Financial Group Public Company Limited operates as a shareholder in its subsidiaries and engages in no other major business, its competitive position is best examined through the business operations of the companies in TISCO Group. These companies operate in commercial banking and lending as well as capital markets and offer various financial services that satisfy a diverse range of customer needs. TISCO Group's structure as of December 31, 2022 is shown below.



*Listed in The Stock Exchange of Thailand

Investments of the Company in Other Companies

As of December 31, 2022, the following is a list of companies in which TISCO Financial Group Plc. has made investments in the form of a shareholding of 10 percent or more of the total number of shares issued.

Company/Head Office Address	Type of Business	Type of Shares	Paid-up Capital	Issued and Paid-up shares	Number of Shares Held	Percentage of Ownership (%)
1. TISCO Bank Public Company Limited ¹ 1 st Fl., TISCO Tower, 48/2 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6000 Fax. (66) 2633 6800	Commercial Bank	Common		921,567,588	921,453,737	99.99
		Preferred		104	-	
		Total	9,215,676,920	921,567,692	921,453,737	
2. Hi-Way Company Limited 2046/16 New Petchaburi Road, Bangkapi, Huankwang, Bangkok 10310 Tel. (66) 2319 1717 Fax. (66) 2308 7405	Hire Purchase and Leasing	Common		5,994,500	5,994,496	100.0
		Preferred		5,500	5,500	
		Total	600,000,000	6,000,000	5,999,996	
3. TISCO Tokyo Leasing Company Limited 16th Fl., TISCO Tower, 48/30 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2638 0900 Fax. (66) 2638 0913	Hire Purchase and Leasing	Common	60,000,000	60,000	29,400	49.0
4. TISCO Insurance Solution Company Limited 22th Fl., TISCO Tower, 48/51 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6060 Fax. (66) 2633 4400	Insurance Sales Agent	Common	100,000,000	1,000,000	999,965	100.0
5. TISCO Securities Company Limited 4th Fl., TISCO Tower, 48/8 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6999 Fax. (66) 2633 6660	Securities	Common	1,000,000,000	100,000,000	99,999,998	100.0
6. TISCO Asset Management Company Limited 9th Fl., TISCO Tower, 48/16-17 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6000 Ext. 4 Fax. (66) 2633 7300	Asset Management	Common	100,000,000	1,000,000	999,994	100.0
7. TISCO Information Technology Company Limited 6th Fl., TISCO Tower, 48/12 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 4299 Fax. (66) 2633 7600	Service Support	Common	20,000,000	200,000	199,994	100.0
8. TISCO Learning Center Company Limited 12th Fl., Zone A, TISCO Tower, 48/20 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7154 Fax. (66) 2633 7155	Service Support	Common	5,000,000	50,000	49,997	100.0
9. All-Ways Company Limited 7th Fl., Zone A, TISCO Tower, 48/13 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7129 Fax. (66) 2633 7150	E-marketplace platform	Common	200,000,000	2,000,000	1,999,997	100.0
10. Primus Leasing Company Limited ² 22nd Fl., Zone A, TISCO Tower, 48/50 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7766 Fax. (66) 2633 7600	Liquidation Processing	Common	3,000,000	30,000	29,998	100.0

¹ Core company of TISCO Group

² in the liquidation process

1.3.2 Shareholders

1) The Company's Major Shareholders

The Top 10 shareholders of TISCO Financial Group Public Company whose names appeared in the share registration book as of December 30, 2022, are as follows:

No.	Shareholders	Holder Type	Total Stock	Percentage (%)
1.	THAI NVDR COMPANY LIMITED	Juristic person	98,567,645	12.31
2.	CDIB & PARTNERS INVESTMENT HOLDING PTE.LTD.	Foreign Juristic Person	80,065,320	10.00
3.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	Foreign Juristic Person	57,763,341	7.21
4.	TOKYO CENTURY CORPORATION	Foreign Juristic Person	39,482,767	4.93
5.	STATE STREET BANK AND TRUST COMPANY	Foreign Juristic Person	36,757,300	4.59
6.	STATE STREET EUROPE LIMITED	Foreign Juristic Person	28,477,616	3.56
7.	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	Foreign Juristic Person	17,547,251	2.19
8.	MRS. DUANGCHAI VALAISATHIEN	Ordinary person	10,156,500	1.27
9.	THE BANK OF NEW YORK MELLON	Foreign Juristic Person	9,514,135	1.19
10.	SOCIAL SECURITY OFFICE	Juristic person	9,174,730	1.15
TOTAL SHAREHOLDING OF TOP 10 SHAREHOLDERS			387,506,605	48.40
OTHER SHAREHOLDERS			413,148,878	51.60
GRAND TOTAL			800,655,483	100.00

Remarks: CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation (Taiwan) via CDIB & Partners Investment Holding Corporation (Cayman). CDIB & Partners Investment Holding Corporation (Taiwan) is 28.71% and 4.95% owned by CDIB Capital Group and KGI Bank, respectively. Both CDIB Capital Group and KGI Bank are 100% subsidiaries of China Development Financial Holding Corporation which is a listed company on the Taiwan Stock Exchange.

2) Major Shareholders of the Company

The Top 10 shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 27, 2022, were as follow.

No.	Shareholders	Holder Type	Total Stock	Percentage (%)
1.	TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED	Juristic Person	921,453,737	99.99
2.	MR. KITTI CHAI KRAIKORKIT	Ordinary person	30,247	0.00
3.	MS. PORN SUK PORN PRAPA	Ordinary person	8,100	0.00
4.	MS. SUPAVADEE PIYAMONGKOLVNG	Ordinary person	6,000	0.00
5.	MS. RACHIT KOWATTANAKUL	Ordinary person	6,000	0.00
6.	MR. SUCHART TANGKVIVIJ	Ordinary person	5,000	0.00
7.	BANK JULIUS BAER & CO., LTD.	Foreign Juristic Person	4,800	0.00
8.	MR. PRACHA LEELAPRACHAKUL	Ordinary person	3,624	0.00
9.	MR. PRAPAT SRINUWATTIWONG	Ordinary person	3,000	0.00
10.	MR. SONGRIT KONGPIPATCHAISIRI	Ordinary person	3,000	0.00
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS			921,523,508	100.00
OTHER SHAREHOLDERS			44,184	0.00
GRAND TOTAL			921,567,692	100.00

Reference was made to the Holding Company Restructuring plan of TISCO Group. TISCO Financial Group Public Company, as the parent company of TISCO Group, was approved by the Bank of Thailand to hold 100% of TISCO Bank's total paid-up shares.

3) The company enters into a shareholders' agreement with effect on security offerings and issuance or the management power of the company.

- None -

1.4 Registered and Paid-up capital

Company

1.4.1 Total registered capital was 8,007,032,950 Baht with paid-up share capital of 8,006,554,830 Baht, comprised of 800,645,624 common shares and 9,859 preferred shares at par value of 10.00 Baht per share

1.4.2 Other Securities

Preferred Shares The preferential rights of the preferred shares expired on June 30, 2009. Thus, as of July 1, 2009, the rights and benefits of preferred shares are equal to those of common shares in all aspects.

The issuance of Warrants with Non-Voting Depository Receipts (NVDRs)

As of December 30, 2022, Thai NVDR Co., Ltd., a subsidiary wholly owned by the SET, issued Non-Voting Depository Receipts (NVDRs), which have the Company's shares as underlying securities, totaling 95,152,064 shares, or 11.88% of paid-up capital, consisting of 95,144,764 common shares and 7,300 preferred shares. Although all financial benefits received by NVDR investors are similar to the benefits earned from the Company's shares, NVDR investors shall have no voting rights at shareholder meetings, except in the case of a delisting decision. Therefore, if a great number of the Company's shares are sold to investors as NVDRs, the proportion of shares with voting rights will be reduced.

Moreover, the number of NVDRs is subject to change and is not under control by the Company. Investors can obtain records of the Company's NVDRs from the website of the Stock Exchange of Thailand (www.set.or.th).

Subsidiary Company Operating as a Core Business of the Group

1.4.3 TISCO Bank Public Company Limited, a Subsidiary Company operating as a Core Company of the Group, has registered capital of 9,215,676,920 baht and paid-up capital of 9,215,676,920 baht, comprising 921,567,588 common shares and 104 preferred shares at par value of 10.00 Baht per share.

1.5 Other Securities

1.5.1 Debentures Issuance

The Company

As of December 31, 2022, TISCO Financial Group Public Company Limited has unsubordinated, unsecured, short-term debentures without bondholder representation with an interest rate of 1.35 – 1.65% per annum. Total outstanding debentures was at 7,880 million baht.

Subsidiary and Affiliate Companies

As of December 31, 2022, TISCO Bank Plc. has outstanding subordinated and unsubordinated debentures (excluding short-term debentures) totaling 7,840 million baht. Details are provided as follows:

Name	Coupon Rate per annum (percentage)	Tenor (years)	Maturity Date	Issue Size (million baht)	Payment Date
1. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2029 (TISCO292A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 1, 2019	4.00	10	February 1, 2029	1,200	4 times a year

Name	Coupon Rate per annum (percentage)	Tenor (years)	Maturity Date	Issue Size (million baht)	Payment Date
2. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2029 (TISCO292B) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 22, 2019	4.00	10	February 22, 2029	1,200	4 times a year
3. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2030 (TISCO306A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: June 10, 2020	3.15	10	June 10, 2030	690	4 times a year
4. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2030 (TISCO300A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: October 21, 2020	3.50	10	October 21, 2030	1,250	4 times a year
5. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2021 Due 2031 (TISCO317A) with the Issuer's right to early redemption, which may be required to be written off (fully or partially) should regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: July 7, 2021	3.25	10	July 7, 2031	700	4 times a year
6. The Debenture of TISCO Bank Plc. No. 1/2022 Tranche 1 Due 2024 (TISCO243A) Issuing Date: March 11, 2024 TRIS Issue Rating: "A"	1.25	2	March 11, 2024	2,800	Twice a year

1.5.2 Bills of Exchange

Subsidiary Companies

As of December 31, 2022, TISCO Bank had outstanding short-term bills of exchange totaling 36.92 million baht with a 2.50% coupon rate, all in the form of callable bills of exchange.

As of December 31, 2022, Hi-Way Company Limited had outstanding short-term bills of exchange totaling 4,290 million baht with a 2.40% coupon rate, all in the form of callable bills of exchange.

1.6 Dividend Policy

The Company

The Company's dividend payment shall be made in accordance with the Articles of Association which state that no dividend shall be paid out of any money other than profits. In the event that the Company has an accumulated loss or cannot retain regulatory capital requirements after dividend payment, no dividend shall be paid.

Dividends shall be paid equally according to the number of shares, unless otherwise specified in the Articles of Association regarding dividends for preferred shares. Payment of dividends shall be subject to shareholder approval.

The Company shall pay dividends at the rate of approximately 50% or more of net profit of each year, after appropriation of statutory reserve, subject to the Company's current financial performance, long-term capital adequacy, capital expenditure requirements, business strategies, and provided that such dividend will have no impact on the Company's subsidiary's status in accordance with the Bank of Thailand's requirement.

The Board of Directors may from time to time pay interim dividends when it is clear that the Company has sufficient profit.

Subsidiary Companies

Subsidiary and affiliate companies' dividends will be the major source of income of TISCO Financial Group Plc. ("the Company"). Each and every subsidiary and affiliate company shall make dividend payments as advised by the Company. Consideration is based on financial performance, long-term capital adequacy, capital expenditure requirements, and the business strategies of each company. TISCO Bank ("The Bank"), shall pay dividends at an appropriate rate to ensure that after the dividend payment, the Bank's BIS ratio complies with the Bank of Thailand's requirement.

The Board of Directors of each subsidiary and affiliate company may from time to time pay interim dividends when it has sufficient profit.

Dividend payments for the past five years were as follows:

	2022	2021	2020	2019	2018
Earnings per share (Baht)	9.02	8.47	7.57	9.08	8.76
Dividend per share (Baht)	N.A.	7.15	6.30	7.75	7.00
Dividend payout ratio (%)	N.A.	84.4	83.2	85.4	79.9

2. Risk Management

2.1 Risk Management Policy

TISCO Group places great importance on effective risk management and controls. By establishing an overall risk management framework, including policy objectives for all risk-related transactions, TISCO Group is able to increase awareness, accountability and efficiency in enterprise-wide risk management as well as maintain best practice standards and high-quality corporate governance. In addition, TISCO Group aims to maximize sustainable risk-adjusted return for shareholders over the long run.

Overall risk management policy, as a standardized operation for TISCO Group's risk management, encompasses the following structures:

(1) Consolidated and centralized risk management

Risk management infrastructure is centralized by consolidating risk exposure from all subsidiaries under the Company through careful risk assessment and the establishment of appropriate risk guidelines and procedures.

(2) Business line accountability, independent risk oversight

Each business line is accountable for managing its own risks in the best interests of TISCO Group while complying with risk management policies, guidelines, and procedures. Independent risk oversight and check-and-balance system have been established to ensure that risks are adequately monitored and controlled.

(3) Comprehensive risk assessment

Risk assessment is performed comprehensively in all key activities. Risk assessment methodologies may range from basic approaches such as expert judgments to more advanced approaches such as quantitative and statistical analysis, depending on the size and complexity of the risks involved. These assessments are in turn supplemented by fundamental risk analysis and stress testing of extreme risk events.

(4) Capital management based on standardized risk tools

Capital represents the ultimate interests of the shareholders. All risk exposures are quantified into a standardized risk measure called Risk Capital based on Value-at-Risk (VaR) concept which can relate risks to the amount of capital required to protect against them according to predefined risk limits. The process of risk assessment under Risk Capital is considered as part of Internal Capital Adequacy Assessment Process (ICAAP) of TISCO. Risk capital enables management and business line managers to understand the level of risks being taken in a meaningful manner. Risks from different levels are integrated to produce an overall risk picture of the Group, which is used for capital adequacy planning and strategic capital allocation both at the corporate and business unit level.

(5) Risk Tolerance Level and Capital Allocation

The total risk capital shall not be in excess of available capital fund of the Group where qualitative risk tolerance level shall be applied for non-capital based assessment. Risk Capital shall determine the economic capital adequacy of TISCO, which the available capital is also allocated to the business and operating units such that the capital adequacies to undertaken risk are ensured both at the corporate- and business-unit-level.

(6) Adequate return for risk and risk-adjusted performance management

To promote shareholder value creation, risk components are incorporated into business performance measurements with the objective of maximizing risk-adjusted returns for shareholders. Product pricing takes into account varying risks to ensure overall profitability. Business expansion is advocated in the areas where marginal risk-adjusted returns are in excess of the marginal risks.

(7) Portfolio management, diversification and hedging

Risk diversification is a key risk management principle in all business activities. Diversification is considered and adopted by management and business line managers both at the portfolio and transaction levels as an effective approach to reducing the aggregate level of risks in accordance with certain guidelines and limits.

(8) Strong Risk Awareness Culture

Awareness and understanding of risks and risk management are important for the accountability of risk management. Business heads are expected to have a high degree of awareness and understanding of the risks in their accountable areas and how they contribute to the overall risk of the corporate as a whole.

(9) Effective Risk Modeling and Validation

Risks shall be modeled as forward-looking measures that reflect potential likelihood and impact on the intrinsic value of TISCO assets, liabilities, or businesses. Mark-to-market practice shall be adopted in all portfolios as appropriate, where independent validation from risk management shall be adopted in the case of high complexity in valuation. Key risk models with sufficient information shall be validated through a systematic back-testing process or other prudent statistical tools.

(10) Regulatory best practice

TISCO Group has adopted risk management policies and guidelines that comply with all regulations and best practice standards of the Bank of Thailand (“BOT”), the Securities and Exchange Commission (“SEC”) and other regulatory authorities.

(11) New Business or Product

All new businesses or products shall be approved by the portfolio risk authority and relevant specific-area risk authority according to the procedure outlined in the risk management guideline. New business or product will be evaluated in terms of its risk-reward characteristics, the contributions to the overall corporate risk profile, and the consistency with corporate capital capacity.

(12) Related Party Transaction

All business transactions among TISCO Group and related party shall be on a similar basis with same treatment of regular customers. Additionally, the related transaction shall be transparent and auditable. Meanwhile, the proportion of business transaction among TISCO Group shall be controlled under regulatory guideline.

(13) Stress Testing

Stress testing is a procedure to assess the impact on the company’s financial status under extreme risk events. Stress testing process is designed to be as a supplementary tool for the analysis of credit risk, market risk and funding risk. Risk Management Committee is responsible to oversee the framework for stress tests. The Committee will establish guidelines and key required assumptions to perform stress tests based on the appropriate framework. Meanwhile, Risk Management Functions are responsible to facilitate all related business units in order to perform periodically stress tests, and report the stress testing results as well as the recommendations on any important aspects to the Risk Oversight Committee as well as the Risk Management Committee. Stress testing assessment and results shall be integrated to setting and evaluating the internal management strategy which may involve reviewing the need for limit changes or developing contingency plans.

(14) Risk Management for Foreign Exposures

Risk from foreign exposures arises from changes in the value of foreign exposures due to country-specific sovereign and economic conditions including political risk and capital flow risk. TISCO Group shall ensure that credit granting or investment activities in foreign countries are carried out in alignment with business strategy and well-controlled within the manageable level. The risk management of foreign exposures shall take into account the monitoring of economic and political risk factors that may adversely affect the value of foreign exposure position, as well as the country-specific liquidity, market and correlation risks. In case the foreign exposures are substantial

and exceeding the threshold limit of 50% of regulatory Tier-I capital, TISCO Group will establish the detailed guidelines for managing foreign exposure risks in accordance with the BOT's regulation.

(15) Policy for Recovery Plan

According to the past global financial crisis, it demonstrated the necessity for the financial institutions to be prepared to deal with financial distress. Development of a recovery plan is the preparation of mechanism in advance to deal with potential stress condition that may arise in the future to ensure that commercial banks have a framework that may be adapted as appropriate to the circumstances at the time of actual stress. The recovery plan shall at least cover key processes and provide necessary information as set out in the BOT's guideline on Recovery Planning. The plan includes a set of tools and procedures to enable the recovery or continuation of TISCO Group under extreme risk events. The Board of Directors through the Executive Board and Risk Oversight Committee oversee the recovery plan framework, whereby the Risk Management Committee formulates the recovery plan with support from the Enterprise Risk Management function in facilitating all related business units, consolidating all necessary information, and defining appropriate recovery trigger and recovery option in accordance with possible economic condition and market environment. Moreover, the Recovery Plan will be reviewed at least once a year or when there is a material change that may affect the recovery plan and the effective implementation of recovery options. The recovery trigger event result and option in the recovery plan will be reviewed by the Risk Oversight Committee and approved by the Executive Board.

Risk Management Framework

In accordance with enterprise-wide risk management policies and objectives, risk management and internal control have been monitored and controlled by the Board of Directors of the Company with the delegation to the Executive Board of Directors of the Company. An effective management process has been established for assessing and managing all firm-wide risk exposures at both the portfolio and transactional levels to ensure the financial soundness and safety of TISCO Group. Senior management and relevant business advisory committees oversee the entire risk management framework and strategy for all business areas supported by planning and budgeting function. The Risk Oversight Committee is set up to advise the Board of Directors on risk governance framework to ensure that top management and heads of risk management functions follow the risk management policy, strategies, and risk appetites, as well as to ensure that capital and liquidity management strategies are consistent with the risk appetites. The Risk Oversight Committee also reviews the sufficiency and effectiveness of overall risk management policy and strategies, and reports risk exposures, effectiveness of risk management system and risk governance culture of the organization, as well as any significant factors or required improvement to the Board of Directors, and advises or participates in evaluation of heads of risk management functions. Moreover, the Risk Management Committee, supported by enterprise risk management, risk analytics & advisory, IT risk management, and operational risk management functions, is set up to oversee that enterprise-wide risk management of the group is undertaken according to the same standard.

Specific-area risk authorities are then established to manage in-depth, transaction-level risks in each particular area, such as the Credit Committee, Problem Loan Committee, IT Risk Management Committee, and Compliance & Operation Control Committee. These mechanisms are in turn supported by the credit control and other supporting functions, compliance, and legal office. Business lines are fully accountable for managing their own risks within the policy and guidelines established by the Risk Management Committee and specific-area risk authorities. All the business operations are under the risk limit approved by the Risk Management Committee including new business analysis in each business line, where risk limits triggered as well as new businesses shall be reported monthly to the Risk Management Committee for acknowledgement. Additionally, the Risk Oversight Committee shall review the sufficiency and effectiveness of overall risk management policy and strategies, and reports risk exposures and key risk management issues. Moreover, to assure the proper implementation of approved risk management policy and guidelines, the risk management system shall be oversighted by the Audit Committee through the Internal Audit Function.

In the present, Information Technology (IT) is involved as integral part of business to serve business needs and being customer channels to access information and services as known as Financial Technology (FinTech), in addition

to several laws and regulations which have been announced for IT good governance. TISCO Group has IT Risk Management function to manage in-depth and transaction-level of IT risks and to support the Risk Oversight Committee as well as the Risk Management Committee regarding to IT risk as integral part of operational risk and IT Risk Committee in specific-area risk authorities.

The roles and responsibilities of the relevant committees and risk management authorities are described as follows:

- Board of Directors

The Board of Directors of the Company shall ensure the institution of effective risk management system of the Bank and ensure that the Company has adopted and adhere to TISCO Group Risk Management Policy. The Board appoints the Executive Board for managing and monitoring of risk activities while also delegate the authority of overseeing risk management activity to the Risk Oversight Committee. This is achieved by setting risk limits and risk appetites, and ensuring the establishment of effective risk management systems and procedures in accordance with the standard practices of risk identification, assessment, monitoring and control, all of which are in line with Risk management guideline and risk limit oversighted by the Risk Oversight Committee.

- Risk Oversight Committee

The Risk Oversight Committee is set up to advise the Board of Directors on risk governance framework to ensure that top management and heads of risk management functions follow the Board of Directors' approved risk management policy, strategies, and risk appetites, as well as to ensure that capital and liquidity management strategies are consistent with the approved risk appetites. Moreover, the Risk Oversight Committee has responsibilities on reviewing sufficiency and effectiveness of overall risk management policy and strategies as well as risk appetites, at least once a year or when there is significant change. The Committee also reports on risk exposures, effectiveness of risk management system and risk governance culture of the organization, as well as any significant factors or required improvement to the Board of Directors, and advises or participates in evaluation of heads of risk management functions.

- Risk Management Committee

The Risk Management Committee of the company, comprising the senior managements from the TISCO Group, has been appointed by the Group CEO in charge of the formulation and implementation of enterprise-wide risk strategies and action plans in connection with risk management policies and guidelines. The Risk Management Committee meeting is regularly held once a month. Enterprise risk management, risk analytics & advisory, operational risk management, and IT risk management functions support the Risk Management Committee in setting up and monitoring risk management policies and guidelines and performing enterprise-wide risk management activities through research, assessment, and reporting process.

- IT Risk Committee

IT Risk Committee is appointed by Group CEO to determine IT Risk Management Policies and to oversee IT risk management activities and key risk indicators for effectiveness of IT risk management processes and IT compliance with laws and regulations across TISCO Group.

- Specific-Area Risk Authorities

Specific-area risk authorities are set up to address in-depth risk management and controls at the transaction level. Key specific-area risk authorities include the Credit Committee and Problem Loan Committees, which are in turn supported by the credit control in overseeing credit approval and risk management. In addition, Executive board of Directors of the bank and Board of Directors of other credit-granting subsidiaries shall control and follow up all specific risk areas which are directly reported to the Board of Directors of the bank as well as the Board of Directors of the company on a regular basis.

- Board of Directors of Subsidiaries

Under consolidated supervision framework, the Board shall ensure that each subsidiary adopt and adhere to TISCO Group Risk Management Policy approved by the Board of Directors of the parent company. The Board will

appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy and report risk management activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the BOT.

2.2 Risk Factors

Risk management of TISCO Group considers five risk factors which are 1) Credit Risk 2) Liquidity Risk 3) Market Risk 4) Operational Risk 5) Strategic Risk and 6) Emerging Risks. The overall risk of TISCO Group is at a manageable level, with amount of capital fund remaining strong for further business expansion which has already been assessed by the BOT. Moreover, TISCO Group has guidelines for risk management according to each type of risks.

2.2.1 Credit Risk

Credit Risk is defined as the possibility of obligor's failure to meet the contract agreement with TISCO Group. If the failure occurs, it requires the Bank to maintain higher provisions for expected credit loss. As a result, it adversely impacts net income and capital of TISCO Group.

- **Default Risk**

Default risk occurs from lower credit quality. As of December 31, 2022, NPL ratio of TISCO Group decreased from 2.4% at the end of 2021 to 2.1% at the end of 2022 as TISCO maintains an effective asset quality control including long-term debt restructuring and debt relief programs. Moreover, in order to prevent rising credit risk, an increase in expected loss was also absorbed by the expected credit loss (ECL) set up during the year, with prudently managed non-performing loans (NPLs) including advanced risk management tools and stringent practice of loan collection, debt restructuring and write-off process. Additionally, NPL ratio of retail loan decreased from 3.1% at the end of 2021 to 2.9% at the end of 2022, while there was no NPL of corporate loan at the end of 2022. Total NPLs was 4,576.52 million baht which decreased by 380.79 million baht or 7.7%, of which the NPL of the Bank was 3,831.14 million baht whereas NPL of other subsidiaries amounted 745.38 million baht.

Since January 1, 2020, TISCO Group has started using the Expected Credit Loss framework in place of provision impairment loss method according to the new Thai Financial Reporting Standard No. 9 (IFRS 9) which has different loan classification and impairment model, taking into account the potential credit loss and additional risks from forward looking macroeconomic factors (Forward Looking Model). Meanwhile, as of December 31, 2022, total allowance for expected credit loss on loans of TISCO Group was 11,844.73 million baht, of which the allowance for expected credit loss on loans of the Bank amounted to 10,682.56 million baht. The excess reserve has been fully amortized since the end of December 2021. Hence, the loan loss coverage ratio for TISCO Group stood at 258.8% at the end of 2022, reflecting the prudent provisioning policy to mitigate potential risk.

- **Concentration Risk**

Concentration risk is the risk from borrower concentration. As of December 31, 2022, hire purchase and corporate loans represented 50.3% and 20.3% of the total credit portfolio, respectively. The hire purchase portfolio, of which concentration was very low, had 110,264.21 million baht of loan outstanding. Top-10 borrower exposure of hire purchase portfolio stood at 54.31 million baht or 0.05% of the total hire purchase portfolio, or equal to 0.02% of the total credit portfolio.

For the corporate loan portfolio, it was diversified into four different sectors: manufacturing and commerce, 1,703.23 million baht; real estate and construction, 23,455.53 million baht; and public utilities and services, 19,760.39 million baht. Lending to the above industrial sectors represented 3.8%, 52.9%, and 44.5% of the total corporate loan portfolio, and represented 0.8%, 10.7%, and 9.0% of the total credit portfolio, respectively. As top-10 borrower exposure stood at 38,909.14 million baht or accounting for 17.8% of the total credit portfolio, there is slight concentration in public utilities and services as well as real estate and construction sector which have been managed under risk management procedure. Moreover, corporate loan portfolio is almost fully collateralized. In loan approval process, appropriate proportion of collateral value and financing amount is maintained to ensure that

risks were kept within a manageable level. Furthermore, collateral values will be regularly appraised and effective loan drawdown procedure has been implemented. Portfolio credit quality was closely monitored.

- **Collateral Risk**

Collateral risk occurs from borrower defaults and the value after selling collaterals in the debt collection process cannot cover the original debt amount. As of December 31, 2022, lending portfolio of TISCO Group came mostly from TISCO Bank whereby 82.0% of the portfolio was asset backed or with collateral. For the hire purchase portfolio, the underlying asset under the loan agreement itself is still owned by TISCO Group. In case the borrowers of hire purchase loans cannot meet the terms and conditions, TISCO Group can follow up and seize the underlying assets immediately. After repossession, the process of asset liquidation can be completed within 3-5 months.

A major risk factor in the hire purchase business depends on the market value of used cars. A substantial decrease in the market value of a used vehicle results in credit loss, which directly affects the net income and capital of TISCO Group. Market prices for used cars depend on such diverse factors as market demand, type, brand, and tax regulations.

According to the past records, the recovery rate for asset liquidation in the secondary market was somewhat high at 70% to 90% of the remaining net financing amount, which helped in absorbing losses from defaulted loans. TISCO Group has attempted to minimize credit risk by regularly updating its information regarding trends in the used car market, requiring high-value collateral, sufficient average down payment, and favoring well-known brands in the secondary market.

For commercial and mortgage loans, most collateral extended as loan guarantees was in the form of real estate, of which the value could be deducted for the purposes of expected credit loss provisioning. Collateral values were appraised according to regulations of the BOT. The proportion of collateral value used in deducting the provisioning requirements for NPLs was 90.8% of the NPLs of commercial loan and mortgage loan.

Generally, the risk of real estate value changes depends on economic conditions. A recession in the Thai economy might result in lower values, which would require TISCO Group to reserve higher allowance of expected credit loss and would affect net profit and capital fund. Moreover, the legal process of collateral acquisition through related laws and enforcement is both costly and time consuming. However, all pending cases are closely monitored on a regular basis.

- **Property Risk from Foreclosed Assets**

Property risk from foreclosed assets is the impairment of assets transferred from loans, hire purchase receivable on which debtors had defaulted on their repayment obligations under the loan contracts or restructured receivables. The value of repossessed assets is stated at the lower of cost and net realizable value. Outstanding assets in the process of liquidation held by TISCO Group as of December 31, 2022 were worth 6.55 million baht, or 0.002% of total assets. Allowance for impairment stood at 2.3% of total foreclosed assets.

- **Credit Risk Management Framework**

The Risk Management Committee is delegated to oversee credit risk management of the corporate portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities and retaining accountability on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee shall advise the Board of Directors on risk governance framework to ensure that top management and heads of risk management functions follow the Board of Directors' approved risk management policy, strategies, and risk appetites, while reviewing sufficiency and effectiveness of overall risk management policy and strategies. The Risk Oversight Committee shall also report on risk exposures, effectiveness of risk management system and risk governance culture of the organization, as well as any significant factors or required improvement to the Board of Directors, and advises or participates in evaluation of heads of risk management functions.

Credit risk is mainly incurred from subsidiary companies, in which conducting loan as main business. Specific-Area credit risk authorities include the Credit Committee, and Problem Loan Committee, which are established to oversee credit risk management and control at in-depth transaction level of subsidiary companies. The Credit

Committee is responsible for reviewing and granting credit approvals to any single client proposed by lending officers. The Credit Committee may delegate its authority to designated persons for authorizing lower-risk transactions. The Problem Loan Committee was set up to monitor and follow up overdue payment of problem loan accounts and foreclosed assets on a regular basis.

Sound credit risk assessments are key risk practices at TISCO Group such as credit analysis, credit rating, delinquency analysis, concentration level and risk capital. All loan origination must operate under a sound credit granting process in which an effective credit rating system is employed in key business area. In retail lending area, quantitative-oriented approaches to credit grading are implemented, considering its homogenous high-volume characteristics, with emphasis on the use of extensive data mining and analysis. In corporate lending area, qualitative-oriented credit grading approaches shall be employed, taking into account its highly varying risk profiles, with well-defined standard.

Concentration risks are also essential in credit portfolio risk management. Appropriate guidelines on concentration risks are set up considering appropriate business practice and company risk capital capacity.

TISCO Group uses credit risk management guidelines and limits that are comprehensively applied to all credit-related functions both at the portfolio and transactional levels, as well as monitoring and managing problem loan and foreclosed assets.

2.2.2 Liquidity Risk

Liquidity risk is the possibility that TISCO Group might not be able to meet its obligations to repay debts when they come due, whether as a result of a failure in cash management or an inability to raise funds to meet demand in time. Liquidity risk comes from internal and external factors. Internal factors are maturity mismatches in the assets and liabilities profile which affect the level of liquid assets, while market liquidity and depositor confidence represent external factors affecting liquidity risk.

As of December 31, 2022, the value of liquid assets is 46,249.61 million baht, which comprised of cash at 1,005.06 million baht compared to 1,103.43 million baht in December 31, 2021, net transactions with interbank and money market at 40,272.42 million baht compared to 30,489.21 million baht as of December 31, 2021 and net current investment at 4,972.13 million baht compared to 9,107.33 million baht as of December 31, 2021.

Currently, liquidity risk from the maturity mismatch is moderate, once adjustments for the historical behavior of creditors and debtors such as loan defaults or rollovers are taken into account. According to maturity mismatch profile within 1 year, the cumulative gap has shown the matured assets over the matured liabilities accounted for 58,366.02 million baht. In addition, emergency credit line, cash flow from operations as well as inter-bank borrowing shall be utilized as a cushion against funding risk that might occur.

As of December 31, 2022, the Bank reported deposit 188,265.81 million baht, the outstanding long-term debentures (both subordinated and unsubordinated) of 7,840.00 million baht and short-term debentures of 7,880.00 million baht, and bill of exchange amounted to 36.92 million baht.

- **Liquidity Risk Management Framework**

Funding risk management is overseen by the Risk Management Committee who delegates day-to-day management of liquidity position to the accountable business line, subject to independent oversight and compliance to the approved risk policies and regulatory requirements. In addition, the Risk Oversight Committee shall advise the Board of Directors on risk governance framework to ensure that top management and heads of risk management functions follow the Board of Directors' approved risk management policy, strategies, and risk appetites.

Key funding risk policies involve the management of cash flow maturity profiles, funding concentration, liquidity coverage ratio, net stable funding ratio, and liquidity contingency plan. Funding risk strategies shall take into account the liquidity status in the market and how unexpected changes would affect the company's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities shall then be consistently maintained and regularly monitored with liquidity stress testing, together with the level of liquidity reserve. Funding

sources shall be well-planned to optimize risk/return while controlling excess concentrations in certain funding sources is crucially required. Contingency procedures for liquidity management in the times of unexpected financial crisis must be established and made ready for timely activation.

2.2.3 Market Risk

Market risk stems from adverse changes in securities prices and interest rates, which affect the volatilities of net income, capital, asset value, and liabilities of TISCO Group.

- **Equity Price Volatility**

As of December 31, 2022, the equity portfolio stood at 2,172.39 million baht, of which 196.09 million baht was listed equity, 57.80 million baht was unit trust, 954.99 million baht was ETF in current market value, and 963.50 million baht was non-listed equity measured at fair value in accordance with the Thai Financial Reporting Standards No. 9 (TFRS 9).

(1) Listed Equity Risk and ETF

TISCO Group exposed to price risk from market price volatilities of listed equity, unit trust and ETF investment. Investment portfolio measured at fair value through profit or loss (FVTPL) stood at 1,208.89 million baht.

TISCO Group calculates Value at Risk (VaR) for risk assessment purposes and files reports to management in charge as well as to the Risk Management Committee on a daily basis. VaR is a maximum potential loss at a predefined confidence level and time horizon. Three-month investment horizon VaR at a 99.0% confidence level excluded unrealized gain/loss, as of December 31, 2022, was 193.41 million baht, increased from 188.34 million baht as of December 31, 2021 mainly resulted from increasing of risk factors via increasing of market volatility. For effective risk management and control, trigger limits were set up to monitor the overall market risk profile according to internal guidelines, such as concentration trigger limit, stop-loss trigger limit, etc.

(2) Non-Listed Equity Risk

Non-listed equity portfolio measured at fair value stood at 963.50 million baht, which increased from 790.26 million baht from the end of 2021. Presently, the investment strategy of TISCO Group is not to increase the size of the non-listed equity portfolio, but instead seeking opportunities to liquidate them, while at the same time closely monitoring portfolio quality on a regular basis.

- **Interest Rate Risk**

Interest rate risk can be classified into two types; namely risk from interest-bearing assets and liabilities profile, and fixed-income risk.

(1) Risk from Interest-Bearing Assets and Liabilities Profile

Interest rate risk occurs whenever there is a mismatch in the re-pricing period of assets and liabilities. A movement in the level of interest rates may lead to higher borrowing costs when compared to earnings, resulting in lower interest rate income, which in turn influences TISCO Group's income and capital.

The Risk Management Committee also acts as the Assets and Liabilities Management Committee (ALCO), which is responsible for managing and maintaining interest rate risk at an appropriate level. TISCO Group's interest-bearing assets and liabilities structure, as of December 31, 2022, is provided in the following table.

(Unit: Million baht)

Interest Bearing Assets and Liabilities	Changed within 1 month	Changed within 2-12 months	Changed within 1-2 years	Changed after 2 years	Total
Assets	92,778.37	44,069.63	34,978.97	63,709.99	235,536.96
Liabilities	(72,734.69)	(113,487.82)	(15,891.73)	(9,996.49)	(212,110.74)
Net Gap	20,043.67	(69,418.19)	19,087.25	53,713.50	23,426.23

Under the change of interest rate within 1 year, TISCO Group had liabilities over assets within 2-12 month stand at 69,418.19 million baht. Considering the interest rates outlook of gradually increase trend, the repricing gap structure was still under acceptable risk level.

(2) Fixed-Income Risk

Fixed-income risk is the result of a decrease in the value of fixed-income instruments when interest rates increase. As yields in the market go up, the value of fixed-income instruments decreases to maintain yields at the same level.

TISCO Group's fixed-income portfolio as of December 31, 2022 stood at 3,989.88 million baht, decreased from 8,042.76 million baht at the end of 2021. Average duration of the bond portfolio was 0.50 year, decreased from 0.25 year from the end of 2021. However, Fixed-income risk was under acceptable risk and also meets the purpose of maintaining liquidity reserves according to the BOT's requirements.

- **Market Risk Management Framework**

Risk Management Committee is responsible to oversee the portfolio risk management and control of market risks. The business lines are accountable to manage market risks in their portfolios within the guidelines and limits set by the Risk Management Committee. Specific-Purpose Risk Authorities have been established in high-risk areas to oversee all aspects of transaction-level risks, such as setting investment guidelines, authorizing investment transactions and trade counterparties etc. In addition, the Risk Oversight Committee shall advise the Board of Directors on risk governance, review sufficiency and effectiveness of overall risk management policy and strategies.

Market exposures shall be grouped appropriately according to the nature and characteristics of risks involved. Suitable risk treatment framework shall be implemented to effectively manage each class of market exposures. Portfolio market risks of all assets and liabilities shall be assessed and quantified using the Value-at-Risk (VaR) concept employing methodologies and techniques appropriate to the nature of risks involved. Back-testing has been prudently performed to validate internal value-at-risk model. In addition, stress testing in place as a supplement to VaR is performed under various extreme scenarios. The risk assessment and corresponding risk treatment has taken into account the transaction intent as well as the market liquidity of the securities.

Interest rate risk from banking book is analyzed on the basis of mismatch between the timing of interest rate re-pricing of assets and liabilities and its potential impacts on future net interest income of TISCO Group under simulated scenarios.

Sophisticated market risk positions, such as derivatives securities, shall be handled with special attention. Derivative risks must be decomposed into basic risks and analyzed such that the inherent risk profile is clearly understood. In addition, derivative risk management policy has been set up in order to effectively control and manage risks from derivative transactions with appropriation to complexity of the derivative.

2.2.4 Operational Risk

Operation Risk is defined as the risk arising from errors, inadequate or failed internal processes, technology, people, or external factors including legal risk and fraud risk. The impact can be classified into financial loss and non-financial loss such as reputational damage and business opportunity losses. TISCO Group has formulated a policy and continuously developed an operational risk management framework to enhance the operational efficiency process, control and manage risks systematically with the same standard, minimize operational damages, and prevent risks in the future.

- **Operational Risk Management Framework**

Creating a corporate culture that fosters risk awareness is a fundamental part of TISCO Group's efficient operational risk management. TISCO Group has therefore promoted knowledge and understanding of its operational risk management guidelines among staff at all levels so that they are aware of their role as owners and of risks related to their work or their organization. As a result, staff has a sense of responsibility in handling any operational risk under their scope of work. At TISCO Group, an Operational Risk Management function is in place

to manage the group's overall operational risks by supervising, supporting, and monitoring all group functions' implementation of the operational risk management policy and guidelines. The goal is to ensure that risks are in line with TISCO Group's risk appetite. The Company has prepared a process to assess operational risks. This features identification of key operational risks, assessment of control efficiency, identification of key risk indicators, formulation of annual plans on operational risk reduction and prevention and reporting operational risk assessment results and the operational risk management plan to relevant executives and committees.

To ensure that operational incidents are properly handled, the Company has formulated guidelines on incident management. According to the guidelines, a responsible function analyzes the causes of the problem, prepares measures to prevent such an incident in the future, compiles a summary of incidents related to operations and compliance including material incidents, and reports to a relevant committee for consideration per criticality. Regarding complaint management, after receiving a complaint, the response must be made within a proper timeframe in line with the Service Level Agreement (SLA). The Company has prepared several channels for receiving complaints and laid down guidelines on complaint management. The guidelines seek to resolve the complaint through various actions such as the offering of compensation or fair treatment within a specified timeframe. Complaints received through these channels are analyzed and summarized for relevant executives to acknowledge, consider, and approve compensation, as the case may be, and to improve work efficiency. The Company has implemented a system to record and compile incidents, complaints, compensations, and preventions, which shall be used for monitoring and addressing incident and complaint management within a proper timeframe. Information has also been stored for comprehensive risk assessment and the preparation of the operational risk management plan.

Moreover, the Company has assessed risks involving new products, processes, and technologies or key changes. Assessments are comprehensive and include strategies, operations, IT and cyber threats, regulations, and impact on Environmental, Social, and Governance (ESG). Relevant executives and committees consider assessments and approve plans before their implementation to keep risks at an acceptable level.

Currently, TISCO Group has applied digital technology to the expansion of channels for products and services. The move, however, comes with IT risks especially threats that have been significantly evolving in a way that may cause financial damages to the group, harm its reputation, or trigger other unwanted impacts. Recognizing such risks, TISCO Group has set up the IT Risk Management function to handle IT Risk Management, IT Compliance, IT Risk Management Framework & Process, IT Key Risk Indicators, IT Risk Review for Proper Risk Appetite, and an IT Risk Report that will be submitted to relevant committees.

In the face of significantly evolving cyber threats and their impacts, the Company has organized a variety of training and educational activities for its employees and outsiders. Among them are online seminars, PR materials about cyber threats, content about how to protect themselves from cyberattacks, and useful infographics that are released on the websites of the Company. To raise awareness and perception of all employees, the enhancement of the understanding of cyber threats is regularly conducted through organizational training, posting on various office places including the announcement of information on the corporate website with an aim to avoid or reduce the possibility of being affected by cyber threats. Additionally, the study on the potential cyber-crime attack, monitoring and assessment of possible IT risks and cyber threats are regularly conducted to effectively improve the quality of IT risk management, appropriately harden the security, prepare for preventive measures, and establish response plan including the communication plan both for internal and external parties.

Whereas the TISCO Group undertakes financial businesses and provides financial services to customers, the continuity of business undertaking in order not to disrupt the provision of the services to the customers is the crucial matter that the TISCO Group highly emphasizes. TISCO has well-developed and proactively prepared readiness of every system and process relating to the critical businesses for ascertaining the continuous business operations (Business Continuity Plan) without disruption. The Business Continuity Plan also covers the process for recovering the critical systems to resume their availabilities within the determined period and the other relevant contingency and backup plans including alternative site and work-from-anywhere strategy. The actions according to the Business Continuity Plan are subjected to be tested regularly to make all relevant business units perceive and understand their roles and responsibilities and actions required to be taken whenever disaster incurs. In

addition, TISCO has realized the severity of several impacts that may affect the safety of employees, customers, counterparties, or other relevant parties, thereby, the Emergency Plan has been established as an integral part of the Business Continuity Plan to determine appropriate action plans for managing various emergencies exposed from external events with the primary objective to secure the safety and minimize possible losses. To support and enhance the efficiency of the proceeding following the Business Continuity Plan, TISCO Group has determined a communication plan and channels for communication between executives and employees including the communicating channels with the external parties to convey the situation updates and the corporate action plans to all relevant persons in a timely manner.

2.2.5 Strategic Risk

Strategic Risk is a form of uncertainty stemming from the possibility that TISCO Group might make an adverse business decision, improper strategy implementation or misalignment between strategy, target, organization structure, competition and resources that affect TISCO Group's earnings and capital.

- **Risk from Economic Conditions and Business Competition**

Although TISCO Group diversifies its businesses in areas of high potential, most of them are influenced by changes in economic conditions. For hire purchase businesses, growth and credit quality are directly affected by the state of the economy, levels of competition and growth in public consumption. Strong economic growth results in faster growth in asset size and revenues of TISCO Group, and vice-versa. Strong market share and competitive advantage, however, make TISCO Group less vulnerable to negative economic factors.

For the equity investment of TISCO Group portfolio, the economic outlook, capital market performance and investor sentiment is still crucial to TISCO Group's financial performance. In a bullish economy, equity prices tend to increase significantly, resulting in improving the Bank's profit and capital. Conversely, unexpected events such as wartime, terrorist attacks, epidemic, and natural disasters, as well as government policies that affect confidence of the economy may cause a substantial drop in equity values, adversely affecting TISCO Group's financial performance. While the brokerage and underwriting business also depends on the condition of the stock market, most income is derived from trading volumes, with the result that the impact of price levels may not be substantial. In effect, TISCO Group has adopted a variable cost structure in the brokerage business, which minimizes the impact of unfavorable market conditions.

The asset management business is dependent only to a minor degree on economic conditions as fee income is based on the net asset value of funds under management. Profit and loss from investments do not directly affect TISCO Group's financial results. However, higher competition on pricing structure is a major risk factor in this business.

- **Risk from Capital Adequacy**

As of December 31, 2022, as TISCO Bank's capital requirement based on Basel III Internal Rating Based Approach (IRB), the regulatory capital adequacy ratio (BIS ratio) stood at 23.37% remaining higher than the 11% required by the BOT. The Tier-I and Tier-II adequacy ratio stood at 19.63% and 3.74%, respectively, in which Tier-I adequacy ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the BIS ratio, Tier-I and Tier-II ratios stood at 20.62%, 17.15% and 3.47%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. remained strong at 61.07%, greatly higher than the minimum required ratio by the SEC of 7.0%.

As an internal risk measurement of capital adequacy (ICAAP), the risk-based capital requirement of TISCO Group stood at 12,267.18 million baht, accounting for 31.5% of total capital base under Basel III - IRB of 38,919.70 million baht, with capital surplus for future risks and business expansion totaling 26,652.52 million baht.

- **Risk from Subsidiaries' Financial Performance**

TISCO Financial Group Plc. was established with the purpose of investing in other companies only. Therefore, the performance of the company depends on the performance of invested companies. Subsidiaries' risks involve the risk of TISCO Bank's business operation which is a core business of the company and other subsidiaries'

business operations. The company holds shares of all 8 subsidiaries including TISCO Bank. However, while most of the net income comes from dividends received from its subsidiaries, volatile performance of subsidiaries may affect the overall the company's performance. In effect, the dividend payment to shareholders may also be volatile.

Profit recognition of TISCO Group came from all subsidiaries including TISCO Bank. As of December 2022, net profit of TISCO Bank and other subsidiaries was 6,717.03 million baht, where 2,106.32 million baht was from subsidiaries excluding TISCO Bank. Although the subsidiaries experienced outstanding business performance and generated profits to the company, investment strategy is important in the future. Therefore, the board of directors meeting has defined the investment policy for TISCO Group where the company will invest in those businesses having ability to support the competitive efficiency of the group. Besides, the market and industry trends, competitive environment and long-term profit making capability together with prudent risk management shall be considered.

Net income from subsidiaries, excluding TISCO Bank, accounted for 31.4% of total net income, which significantly affects the overall TISCO Group's income. Additionally, the net income from brokerage and investment banking are from TISCO Securities while net income from asset management is from TISCO Asset Management.

While subsidiary businesses are influenced by market activity and overall economic conditions, the impact of risk from securities and asset management businesses will have a significant effect only on Bank profitability, without having a severe impact on capital as the major focus is on services rather than lending or investment.

Internal control and risk management of subsidiaries is centralized at the Company which applying a universal set of standards and guidelines for all. The company sends its representatives to serve as directors at subsidiaries for at least half of the total directors and to participate in establishing important business policies, in which the annual business plans of subsidiaries require approval by the company.

- **Strategic Risk Management Framework**

The executive board and senior management directly oversee strategic risks of TISCO Group, with the policy to employ effective sound practices in strategic management that enable it to respond effectively to changes in the business environment and unexpected external events. Vision and mission statements reflect the company's core direction and how our business is conducted, around which all strategies and policies are formulated. Sufficient processes have been set up to carry out effective corporate strategy formulation, business planning, resource management, performance management, and other essential decision support systems. Strategic audit process is then performed at the board level of the company by non-management directors as the ultimate line of protection.

In organization and business practice, the principles and practices of good corporate governance have been adopted to protect the rights and interests of all stakeholders. The corporate governance framework has included corporate governance policy and strong systems of internal controls, which are subject to regular independent assessment and review.

TISCO Group manages strategic risk by setting up 3-year strategic plans to provide a clear business direction together with operating budgets. The plans are reviewed on an annual rolling basis and used to compare actual performance on a monthly basis.

2.2.6 Emerging Risks

TISCO Group is aware of and prepares to deal with emerging risks and mega trends, constantly monitoring changing landscapes and intensifying fluctuations. It has also analyzed risk factors that may affect or damage its businesses for risk-management purposes. Such efforts are made to efficiently handle or reduce adverse impacts from the risks both in short term and in long run. In the year 2022, TISCO Group identified emerging risks and issued risk-management guidelines as follows.

Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
Emerging Diseases	Emerging diseases are defined as infectious diseases having been recently recognized and recurred within a population, and also whose incidence has increased significantly, including infectious diseases become resistant to drugs or common treatments such as bird flu, SARS, and coronavirus disease (COVID-19).	In 2022, although the COVID-19 epidemic situation is likely to improve, the economy start showing recovery sign mainly due to economic activities slowly return back to normal. Tourism and related businesses start to resume their businesses after the declaration of COVID-19 becoming an endemic disease. However, the mutation of the virus made the epidemic of COVID-19 to reappears from time to time	TISCO Group keep monitoring the epidemic situation to assess risk and impact analysis and also maintaining the preventive measures and reviewing business continuity plans under emergency situations in the event of a new epidemic situation. Furthermore, it also prepared to respond to the government and Bank of Thailand's economic-stimulus packages. For SMEs, TISCO Group offered debt reduction, repayment postponement and debt restructuring so as to enhance their cash flow. It even provided soft loans and set up a Corporate Bond Stabilization Fund (BSF) to limit the impacts of COVID-19 on the stability of the private bond market.
Financial Landscape Risk	Digital transformation and new business models are taking shape these days as a result of digital disruption. Technologies and consumer behaviors have been changing fast. In the wake of the COVID-19 outbreak, a New Normal has materialized with people significantly changing their lifestyles and demanding a greater level of digital services. This development has not only given rise to a new dimension of financial innovations which transcends the traditional services we had been accustomed to, but has also reshaped the financial landscape. This is a prelude to decentralized finance, which has inevitably had a direct impact on the role of financial institutions.	Development of technology that connects every mechanism within the economic and financial system create both opportunities and risk for bank in order to remain competitive in the market, while new players joining the fray may be required to comply with different rules and regulations governing each business.	TISCO Group has studied all these changes and made preparations to deal with them. It has developed financial products and digital channels with modern technologies such as Cloud computing. TISCO Group has always accorded importance to studies the alternative way to utilize the development of digital technology and its risk assessment towards service enhancement in a changing competitive environment.
Climate Change	Natural disasters caused by environmental changes which tend to occur more frequently and intense lead to increasing climate change risk.	Climate change risk have impact on physical risk which directly affect the business sector through supply chain, for	TISCO Group recognizes the importance of climate change risks which may affect the corporate image and may lead to financial loss both directly and

Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
		<p>instance, flooding which results in damages to business of the bank's customers. Moreover, there are indirect impacts from transition risk which affect the rules and regulations for long term solutions to environmental problems, especially the transition to a low-carbon economy which may affect the cost of doing business in various ways and may have impact on the corporate image as well.</p>	<p>indirectly. TISCO Group has started integrating environmental impact management into the operating system, while implementing environmentally friendly processes which include activities that have impact on energy savings and reducing emissions of greenhouse gas. In addition, TISCO Group participates in encouraging communities in which the company operates business in order to promote a shared environmental management, while also increasing awareness among employees to make the most valuable use of resources.</p>
<p>Cyber Risk</p>	<p>Nowadays, societies have become increasingly dependent on digital technology, while the COVID-19 situation has also driven a 'Cashless Society' lifestyle. Therefore, the bank developed the work system by applying various technologies, such as Cloud Computing, which includes cooperation with various business partners to develop products and services on electronic channels Including mobile channels as well. Therefore, cyber threats are an important issue and tends to increase, cybercrime has changed the attack pattern to be faster and more sophisticated, whether it is deceiving customer information (Phishing), psychological deception (Social Engineering), unauthorized programs. Malicious programs or ransomware attacks and others are gradually becoming more violent in the digital world.</p>	<p>Cyber threats affect both customers and banks. This can damage banks on many levels, such as disruption of banking services, financial loss, customer data leak and loss of customer trust in the bank. In addition, in case of leakage of customer information or breaches of customer data may result in the Bank being subject to penalties according to the Personal Data Protection Act.</p>	<p>TISCO Group has established risk management to deal with cyber threats with 3 measures: 1) Set guidelines for managing information technology risks systematically and continuously. 2) Procurement and development of detection and surveillance tools. This includes dealing with new and complex cyber-attacks. 3) Creating an organizational culture to ensure continuous cyber-threat awareness at all levels from the board of directors, executives and employees to control the risks that may occur to the level acceptable to TISCO Group (Risk appetite). In addition, TISCO Group has continuously developed to upgrade the security to meet international standards such as ISO27001 (Information Security Management Standard).</p>

3. Driving Business towards Sustainability

In order to achieve stable and sustainable growth, TISCO believes that its business and all stakeholders must work hand in hand and contribute to the well-being of all people. All business activities are aligned with the principles of good corporate governance and take into account their impact on society and the environment.

3.1 Sustainability Management Policy and Goals

TISCO is strongly committed to operating a sustainable business while promoting economic strength, creating value for society and the environment, and assisting our clients through hard times. To this end, TISCO Group has pushed forward and integrated tangible sustainable development into its operations through Environment, Social, and Governance (ESG). Key ESG topics are considered in TISCO Group's decision-making process and policies are formulated for sustainable development as well as responsible lending. In addition, the Company has drawn up Sustainable Banking strategies for all its subsidiaries to embrace. Details of these strategies are as follows:

Environment: Operate businesses with environmental responsibility through resource optimization, reduction of waste generation from business operations, and support for environmentally friendly businesses;

Social: Promote social well-being through financial literacy and immunity while creating new opportunities to access various innovative financial services at its branches and online channels for a better quality of life.

Corporate Governance: Foster a strong corporate governance and risk management culture by promoting the principles of corporate governance and risk management at all levels, supporting anti-corruption guidelines, preventing TISCO Group from being used for money laundering or terrorism funding, practicing socially/environmentally responsible lending, conducting fair operations, and reducing household-debt in a way that enables TISCO Group to operate sustainably with satisfactory returns and growth.

The Sustainability Framework approved by TISCO Group executives provides the basis for TISCO Group's three-year Sustainability Roadmap. Reviewed on a regular basis, the Sustainability Roadmap sets the operational guidelines for all companies under TISCO Group. Both the Sustainability Framework and the Sustainability Roadmap are key to driving TISCO Group towards sustainability in a tangible manner.

3.2 Management of Impact on Value Chain

3.2.1 Value Chain

TISCO Group has accorded importance to the disclosure of management and value-creation related to six types of capital, namely financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital in the pursuit of stability and sustainability in the short, medium and long terms. Material topics are addressed through the management of resources and all six types of capital through the Sustainability Framework and the Sustainability Roadmap. TISCO Group has adopted such an approach to ensure work efficiency, the comprehensive creation of value for all stakeholders, and ESG-balanced business operations.

Input	Output
<p>Financial Capital</p> <p>Total assets: 265.414 billion baht</p> <p>Total equity: 42.791 billion baht</p>	<p>TISCO is committed to creating value for all stakeholders by delivering products and services to stakeholders that best address their needs and promote long-term relationships.</p>
<p>Manufactured Capital</p> <p>External resources crucial to business operations</p> <p>Development of products and services that are crucial to encourage growth and business operations</p>	<p>The Company has developed and offers the following customer-centric products and services:</p> <ol style="list-style-type: none"> 1. Retail Banking <p>Developing products that best address market demand for retail customers and SMEs; opening branch offices and online channels to reach customers in remote areas;</p>
<p>Human and Intellectual Capital</p> <p>Employee skills and knowledge, technology and innovations</p> <p>Total employees: 5,090 persons</p>	<p>educating customers on managing their own money and debts; introducing credit and insurance products in line with customer demand so as to improve quality of life</p> <ol style="list-style-type: none"> 2. Corporate Banking <p>Providing various financial products and services by considering loans and environmental and social impacts;</p>
<p>Social and Relationship Capital</p> <p>Engagement and relationships with stakeholders</p>	<p>providing financial consultation to corporate customers to enhance their business capabilities</p> <ol style="list-style-type: none"> 3. Wealth & Asset Management <p>Selecting the best products in each investment category for investors and offering high-quality advice from experts;</p>
<p>Natural Capital</p> <p>Natural resources used for business activities</p> <p>Power consumption: 5,682,527 Kw/Hour</p> <p>Water consumption: 30,320 cubic meters</p> <p>Paper used: 83 tons</p>	<p>aiming to be a leading investment advisor that is recognized for comprehensive wealth management solutions</p>

The aforementioned disclosure of management and value creation is in line with the framework set by the Securities and Exchange Commission and the Stock Exchange of Thailand. This framework encourages listed companies to improve business information disclosure, in line with international practices, by considering ESG. TISCO also believes it is important to cooperate with the overall financial industry in improving business operations under sustainable banking business practices. This is considered crucial to promote the sustainable growth of the organization and at the same time support the BCG economy model.

Results	Stakeholder benefits
<p>Financial Capital Net income: 18,305 billion baht Net profit: 7,224 billion baht Average return on equity: 17.20%</p>	<p>TISCO creates value for investors and employees through dividends and return on investment. The Company drives the grassroots economy and enhances financial health through relevant products and services that cover all areas.</p>
<p>Manufactured Capital TISCO Bank: 54 branches “Somwang Nern Sang Dai”: 450 branches</p>	<p>TISCO has invested in technology and IT infrastructure that can be used as tools to develop products and services. TISCO delivers impressive financial experiences to customers and ensures convenient and speedy access to services.</p>
<p>Human and Intellectual Capital Developing and improving 769 working processes using Power Tools, which cuts 62,247 work hours; Developing 202 super users from 57 units Developing products and services, such as TISCO My Wealth, TISCO My Car Freedom, etc.</p>	<p>TISCO is committed to developing employee capability to support their career development. This brings benefits not only to employees but also to shareholders, investors, and the general public as people are the crucial factor in sustainably driving organizational growth.</p>
<p>Social and Relationship Capital NPS score is 37 Investment in community: 44.9 million baht</p>	<p>TISCO continuously involves shareholders by collecting and using their opinions and comments to improve products and services and by properly responding to their concerns. This allows TISCO to operate our business with responsibility and to deliver products and services that best address the needs of customers and the general public.</p>
<p>Natural Capital Greenhouse gas emissions (Scope 1): 264.912 CO₂ equivalent tons Greenhouse gas emissions (Scope 2): 3,307.799 CO₂ equivalent tons</p>	<p>TISCO makes great efforts to reduce natural resource consumption and the impact of our business operations on the environment. The company fully complies with laws and regulations related to the environment in order to reduce the impact of our operations on climate change.</p>

3.2.2 Analysis of Stakeholders in the Value Chain

To ensure efficiency in sustainable development, TISCO encourages all business functions to strengthen relationships with their stakeholders across the value chain, including shareholders, employees, regulatory bodies, partners, creditors, customers, communities, and the general public. TISCO takes recommendations and feedback from stakeholders into consideration when it conducts its annual review of material issues related to sustainability. This process has led to continuous improvement and development of impact management on stakeholders and our business operations, including opportunities and risks related to ESG practice. This covers the four major areas stated in the Global Reporting Initiative (GRI) Standards: stakeholder inclusiveness, sustainability context, materiality, and completeness.

Stakeholders	Engagement	Issues of interest of stakeholders	Response to the issues of stakeholder interest
Shareholders	<ul style="list-style-type: none"> • Annual general shareholders meeting • Analyst meeting • Shareholder and investor visit • Quarterly report • Seminars • Disclosure of information through regulatory bodies • Information inquiries via the website • Investor relations • Whistleblowing channel 	<ul style="list-style-type: none"> • Strong business performance and sustainable growth • Return on investments and appropriate dividend payment • Transparent operations • Efficient and prudent risk management • All stakeholder groups receive correct information from the company equally and timely 	<ul style="list-style-type: none"> • Notification of company information with the Stock Exchange of Thailand • Investor newsletter • Explanation and analysis of financial position and operating results • Annual report • Sustainability report
Employee	<ul style="list-style-type: none"> • Communication with Human Resources Department • Employee participation surveys • Employee orientations • Communication through email and other online channels • Whistleblowing channel 	<ul style="list-style-type: none"> • Career paths • Remuneration, benefits, and welfare • Learning and development opportunities • Work-life balance and listening to employee opinions • Value acceptance and recognition • Employees are treated with fairness, respect, 	<ul style="list-style-type: none"> • Online and offline monthly meetings of the management at all levels • Direct communication from senior management to mid-level management • Employee satisfaction surveys • Annual Report • Sustainability Report

Stakeholders	Engagement	Issues of interest of stakeholders	Response to the issues of stakeholder interest
		and without discrimination	
Regulators	<ul style="list-style-type: none"> • Banking industry activities, seminars, training courses, and other activities held by government agencies and external organizations • Whistleblowing channel 	<ul style="list-style-type: none"> • Fairness, transparency, and social and environmental responsibility • Compliance with related laws and regulations 	<ul style="list-style-type: none"> • Report prepared for the Bank of Thailand • Annual Report • Sustainability Report
Customers	<ul style="list-style-type: none"> • Service provided at branch • Contact center • Customer activities • Whistleblowing channel • Satisfactory survey 	<ul style="list-style-type: none"> • Products are reasonably priced and product information is accurately disclosed. • Products that address customers' needs • Excellent service quality • Convenient access to financial products and services • Receiving financial knowledge and investment advice in an appropriate and timely manner • Customer data privacy protection • Listening to and resolving customer problems • No discrimination in service 	<ul style="list-style-type: none"> • Channels and activities • Individual customer meetings • Contact Center • Corporate customer visits • Organizing online and onsite training and seminars to educate customers on economy, finance, and investing • Providing a channel for customers to express their opinions, recommendations, and complaints • Communication through various channels such as newsletters, websites, and mobile application
Business Partners including creditors	<ul style="list-style-type: none"> • Procurement channel • Whistleblowing channel • Banking industry activities, seminars, and events held by regulatory 	<ul style="list-style-type: none"> • Fair and transparent partner selection process • Equitable and fair treatment of all partners • Respect of agreements 	<ul style="list-style-type: none"> • Meeting with partners • Partner satisfaction assessment

Stakeholders	Engagement	Issues of interest of stakeholders	Response to the issues of stakeholder interest
	<p>bodies and external organizations</p>	<ul style="list-style-type: none"> • Long-term relationship between the company and partners • Fair price and no corruption in the procurement process • On-time interest and debt payment 	
<p>Community and society</p>	<ul style="list-style-type: none"> • Surveying community needs and encouraging communities to participate in social and environmental activities • Promoting projects and inviting interested persons to participate in the project • Financial education 	<ul style="list-style-type: none"> • Ethical business operations and responsibility towards society and the environment • Support for the betterment of all people 	<ul style="list-style-type: none"> • Annual report • Sustainability report

3.3 Environmental Sustainability Management

3.3.1 Environmental Policy and Guidelines

TISCO Group is committed to conducting business with environmental responsibility and promoting environmental management within communities. TISCO Group has established policies and guidelines for operations in various fields, as follows:

Internal management

- Strictly comply with applicable laws, regulations, and environmental standards.
- Factor environmental issues into risk assessment for business decisions, management, the lending process, as well as other activities, in order to support the reduction of negative environmental impacts, both directly and indirectly.
- Develop, improve, and drive environmental management processes that mitigate negative environmental impacts, reduce waste and pollution, and support the best use of natural resources.
- Raise awareness among employees of Sustainable Banking so as to promote environmental impact management and environmental conservation, both in the form of reducing consumption and reusing and supporting the restoration of natural resources.
- Research guidelines to reduce the impacts on climate change from the organization's energy consumption or other related activities of the organization, both directly and indirectly. This includes reducing energy consumption in business activities or activities that support business operations, raising awareness of economical electricity and water consumption, reducing paper consumption by converting formats to electronic documents, reducing employee travel to meetings by using video conference, and increasing travel by public transportation.

Management with external organizations

- Regularly communicate policy and results of implementation to internal and external parties, follow up and evaluate the implementation of the policy, and develop environmental management systematically and continuously.
- Disclose and raise awareness of environmental responsibility in the communities TISCO Group operates through various activities that promote the mitigation of environmental impacts.
- Support projects that promote environmental impact reduction with the government, private sector, and business partners.
- Supporting the procurement process of environmentally friendly goods and services, requiring suppliers and external service providers to participate in actions to reduce negative environmental impacts, in accordance with the requirements specified in the Supplier Code of Conduct.

3.3.2 Environmental Performance

Sustainability framework	2022 Indicators	2022 Performance	2023-2025 Goals
Environment	Power consumption efficiency	207.48 KW-Hour per square meter	Under 250 KW/Hour per square meter, and over 3% reduction from 2022
	Water consumption	30,320 cubic meters per year	Under 30,000 cubic meters per year and over 5% reduction from 2022
	Paper consumption	83 tons, a 24.55% reduction from the previous year	Under 100 tons per year. and over 3% reduction from 2022
	Greenhouse gas emissions from head office building (Scope 1&2)	19.37% reduction in Greenhouse gas emissions from head office building (Scope 1&2) from the base year	Over 14% reduction in Greenhouse gas emissions from head office building (Scope 1&2) from the base year (2017)
	Lending service for EV	Extending loans for 1,325 EV cars, representing 13.69% of the newly registered EVs	Loans for over 10% of newly registered EVs
	Support for large-scale environmentally friendly lending projects	20.99% of large-scale lending projects	Over 20% of large-scale lending projects

3.4 Social Sustainability Management

3.4.1 Social policy and practice guidelines

TISCO strives to operate our business with social responsibility and to participate in the development of communities in which we operate to achieve sustainable social development. In this regard, TISCO has formulated the following operating policy:

- **Good Corporate Governance:** Establish a robust corporate governance policy that provides guidelines for business operations and communicate with everyone in the organization for acknowledgment and compliance with such policy.
- **Fair Business Operations:** Conduct business under the code of conduct and business ethics to ensure fairness and regulatory compliance in business operations, promote free trade competition, respect property rights, avoid actions that may cause conflicts of interest, and refrain from any infringement of property and intellectual property.
- **Anti-corruption:** Establish an Anti-Corruption Policy to support an organizational culture of transparency. Communicate with all in the organization, as well as partners and stakeholders, to build awareness and readiness to fight against all forms of corruption and to promote transparent business operations.
- **Respect for Human Rights:** Support and respect human rights avoiding human rights violations as well as by providing channels for reporting information and complaints for prevention and resolution. TISCO Group emphasizes managing diversity in the organization by treating all employees, business partners, and customers equally and fairly without discrimination in regard to race, color, religion, gender, age, nationality, civil rights, sexual orientation, or ability. TISCO also does not support child and illegal labor and adheres to human rights.
- **Fair Treatment of Labor:** Emphasize taking care of employees' quality of life and well-being by respecting and complying with the law, providing an environment with health and safety in mind at work, and allowing employees to showcase their potential and be trained/upskilled at work.
- **Consumer Responsibility:** Consider the benefits and satisfaction of customers as important by offering a wide range of products and services of quality to meet their needs as well as to create satisfaction and convenience while complying with Market Conduct.
- **Corporate Social Responsibilities:** Emphasize the integration of social responsibility in the decision-making processes and business operations, support activities and projects that promote social responsibility, both CSR In Process and CSR After Process, such as building financial literacy in society both online and offline, blood donation activities, donations to support public health, epidemic assistance, disaster assistance, granting of scholarships, career funding through TISCO Foundation, and social activities/occasions that benefit society and the community.
- **Environmental Management:** Realize business operations may cause low-level adverse impacts on the environment and thus aim to reduce such impacts. Such mitigating actions will increase value and support sustainability for the organization, society, community, and the entire Thai economy. TISCO also promotes efficient use of resources by considering necessity and net benefits. Environmental and social risk assessment is conducted to mitigate risk and help the Company draw up a plan to handle possible future impacts. Moreover, TISCO Group considers environmental and social risks in the screening process before making financial decisions by defining an Exclusion List and ESR Highly Sensitive Sector List to screen industries at risk with environmental and social issues.

- **Social Innovation Development:** Open to promoting the development of innovations that create maximum benefits for business and society with employees, partners, and business partners on an ongoing basis.

3.4.2 Social Performance

Sustainability framework	2022 Indicators	2022 Performance	2023-2025 Goals
Social	Customer experience level (Net Promoter Score or (NPS)	37%	45%
	Educating interested customers and general public with financial knowledge	526,954 persons	Over 500,000 persons per year
	Building financial skills in the young generations to support growth in the “Somwang Ngern Sang Dai” brand	“Karn Ngern Som Wang Camp” Project, with 31 children participation	At least 1 project per year
	Providing education opportunities to children	TISCO Ruam Jai 12 Project saw the construction of a building and canteen for Ban Khlong Sipsam School, Sakaew, with a total value of 9,344,515 baht	At least 1 project per year
	Investment in communities	Total investment of 44.9 million baht	Ongoing projects
	Creating a happy organization	87% employee satisfaction	Over 85% employee satisfaction
		93.4% retention rate	Over 90% retention rate
Zero complaints related to labor issues and human rights		Zero complaints related to labor issues and human rights	

For further details, please see the Sustainability Development Report 2022.

4. Management Discussion Analysis

4.1 Operation and Financial Statement Analysis

The Management Discussion and Analysis compares operating performance and financial position of TISCO Group for the year 2022 with those of the year 2021

Movement of Money Market and Capital Market

In 2022, Thai economy continued to recover after the COVID-19 pandemic has subsided, resulting in a strong improvement in economic activities. Tourism sector also resumed its growth momentum owing to the relaxation of international travel restrictions which brought about more than 11 million foreign tourist arrivals this year. Private consumption started to expand along with the revival of household income. Thus, the domestic car sale for the year of 2022 totaled 849,388 units, increased by 11.9% comparing to year 2021. Nevertheless, the domestic purchasing power was still pressured by rising cost of living and escalating inflation. The headline inflation in 2022 increased by 6.1% (YoY) aligning with rising oil price which was partly caused by the conflict between Russia and Ukraine. Export sector grew well during the first half of the year, however, began to slow down by the end of the year due to the declining demands from trading partners concerning the imminent sign of global economic recession. Whilst industrial manufacturing sector remained sluggish amid the problem of supply shortage.

In the midst of elevated global inflation, central banks of many countries saw the need to raise interest rates to tackle the severity of inflation issue. Throughout 2022, US Federal Reserve (Fed) raised interest rates in total of 7 times to 4.25-4.50% whereas the Bank of Thailand increased the policy rate 3 times by 0.25% each to 1.25%. Thailand's interest rate increase remained gradual in order to mitigate the impact from inflation spike while support the economic recovery altogether.

In 2022, commercial banks have raised interest rates in correspondence with the policy rate rise. The average 3-month fixed deposit rates of Top-4 commercial increased from 0.33% to 0.61% (YoY). The lending rates of Top-4 commercial banks also increased, comprising of the average minimum lending rate (MLR) increased from 5.31% to 5.83% (YoY), the average minimum overdraft rate (MOR) increased from 5.85% to 6.34% (YoY) and the average minimum retail rate (MRR) increased from 6.03% to 6.21% (YoY).

The capital market in 2022 was highly volatile from rising global inflation and the interest rate increases in many countries, resulting in weakened investor confidence. Market trading volume slowed down from the previous year with the average daily turnover of 71,226.17 million baht, decreased from 88,443.08 million baht in 2021, mainly caused by lower volume contribution from retail clients and local institutions. SET index closed at 1,668.66 points, increased by 11.04 points or 0.7% from the end of 2021.

4.1.1 Operating Performance

TISCO Financial Group Public Company Limited (“the Company”) continuously operates business in line with sustainability strategy and takes all stakeholders into account. The Company has committed to responsible business practices, prudent risk management, enhancing competitiveness to support any changes in economic, social and environmental aspects, as well as promoting well-being in society through various projects such as financial literacy, efficient use of resources, employee development and happy organization.

TISCO Financial Group Public Company Limited, as a parent company of the group, had net profit from operations for the year 2022 on a standalone basis totaling 5,746.21 million baht, mainly contributed by dividend income and service fee income derived from subsidiary companies within the group. As a holding company, TISCO Financial Group Public Company Limited operates as shareholder in other company and no other major business. Therefore, the analysis was based on the Company's consolidated operating performance and financial position which comprised of 2 main businesses: commercial banking business and capital market businesses.

Operating Results for the year 2022

The net profit for the year 2022 was reported at 7,224.08 million baht, increased by 439.49 million baht or 6.5% comparing to 2021, supported by the recovery of banking business and a decline in expected credit loss (ECL). This year, loan portfolio resumed its growth by 7.9% (YoY) from corporate lending, SMEs loans, auto-title loans and used car hire purchase, resulting in increased net interest income by 2.2% (YoY), along with a strong improvement in bancassurance business by 24.0% (YoY) aligning with higher new business volume amid Thai economic recovery. Consequently, overall banking fee income rose by 12.7% from the previous year. Meanwhile, businesses related to capital market weakened comparing to 2021 following the volatile capital market caused by global economic uncertainty. As a result, brokerage fee dropped by 19.2% (YoY) due to lower market trading volume, and asset management basic fee decreased by 15.6% (YoY) owing to a decrease in the sales of new funds.

Furthermore, there was an absence of asset management performance fee this year comparing to the fee of 502.73 million baht recognized during the fourth quarter of last year. Additionally, gain on financial instruments measured at fair value through profit or loss (FVTPL) also declined from 2021.

Expected credit loss (ECL) remained low at 0.3% of average loans, significantly declined from the previous year. This ECL setup has already factored in the portfolio expansion as well as in line with the asset quality that remained well-controlled, as seen from the decline in reported NPL ratio to 2.09% of total loans. Moreover, the Company reduced the setup of ECL expense this year to reflect the reducing risk of COVID-19 situation that has eased down. Loan loss coverage ratio remained strong at 258.8%.

Basic earnings per share for the year 2022 were 9.02 baht per share, increased from 8.47 baht per share (YoY). The return on average equity (ROAE) was reported at 17.2%.

Income Statement

The Company and its subsidiaries' income statement in 2021 and 2022 are illustrated in Table 1.

Table 1: Income Statement for year 2021 -2022

Statement of Comprehensive Income Unit: Million baht	2022	2021	%YoY
Interest income			
Interest on loans	7,473.71	7,124.39	4.9
Interbank and money market items	211.89	151.94	39.5
Hire purchase and financial lease income	7,131.90	7,431.94	(4.0)
Investments	86.80	83.42	4.0
Total interest income	14,904.30	14,791.69	0.8
Interest expenses	(2,170.67)	(2,331.86)	(6.9)
Net interest income	12,733.63	12,459.83	2.2
Fee income	5,498.92	6,117.75	(10.1)
Fee expenses	(453.27)	(514.99)	(12.0)
Net fee income	5,045.65	5,602.76	(9.9)
Gain (Loss) on the financial instruments measured at fair value through PL	86.42	403.83	(78.6)
Gain (Loss) on Investments	2.80	6.28	(55.4)
Share of profit from investment under equity method	55.48	7.22	668.8
Other operating income	380.80	343.40	10.9
Total operating income	18,304.78	18,823.31	(2.8)
Operating expenses	(8,590.84)	(8,266.58)	3.9
Expected credit loss	(722.68)	(2,063.98)	(65.0)
Profit before tax and minority interest	8,991.26	8,492.76	5.9
Corporate income tax expenses	(1,766.72)	(1,707.76)	3.5
Profit before minority interest	7,224.54	6,784.99	6.5
Non-controlling interests of subsidiaries	(0.46)	(0.40)	15.2
Net profit	7,224.08	6,784.59	6.5

1) Net Interest Income

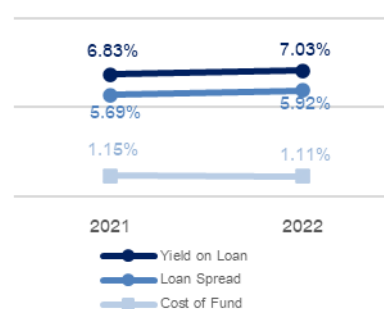
In 2022, the net interest income totaled 12,733.63 million baht, increased by 273.80 million baht (2.2% YoY). Total interest income was 14,904.30 million baht, increased by 112.61 million baht (0.8% YoY) following loan growth and the expansion of high-yield loan products. Whilst, interest expense was 2,170.67 million baht, declined by 161.19 million baht (6.9% YoY) from an effective cost management.

Yield on loans increased from 6.83% to 7.03% (YoY) following an increased proportion of high-yield loans. The cost of fund decreased from 1.15% to 1.11% (YoY) owing to an effective cost management during a low interest rate environment. Albeit, in the fourth quarter, the Company has raised bank interest rates of all products in corresponding with the policy rate increase by the Bank of Thailand. The average minimum lending rate (MLR) increased from 6.45% to 6.95% (YoY), the average minimum overdraft rate (MOR) increased from 6.45% to 6.95% (YoY) and the average minimum retail rate (MRR) increased from 6.725% to 7.10% (YoY). Whereas deposit rates also increased accordingly, thereby the cost of fund started to pick up during late this year. All in all, loan spread improved from 5.69% to 5.92% (YoY) and the net interest margin increased from 4.84% to 5.09% (YoY).

Table 2: Loan Spread

	2022 (%)	2021 (%)
Yield on Loans	7.03	6.83
Cost of Fund	1.11	1.15
Loan Spread	5.92	5.69
Net Interest Margin	5.09	4.84

Loan Spread for year 2021 and 2022



2) Non-interest Income

Non-interest income totaled 5,571.15 million baht, decreased by 792.34 million baht or 12.5% (YoY) mainly contributed by a deceleration of capital market businesses particularly the absence of asset management performance fee income which was recognized in the fourth quarter of last year, together with a decline in gain on financial instruments measured at fair value through profit or loss (FVTPL).

Non-interest income from core businesses totaled 5,803.04 million baht, declined by 1.5% (YoY) caused by businesses related to capital market. Brokerage fee totaled 685.22 million baht, decreased by 163.33 million baht (19.2% YoY) following lower market trading volume amid volatile capital market. Asset management basic fee was reported at 1,595.35 million baht, dropped by 294.45 million baht (15.6% YoY) due to a decrease in the sales of new funds during unfavorable market condition. Investment banking fee amounted 99.77 million baht, decreased by 14.31 million baht (12.5% YoY). On the positive side, banking fee income increased by 386.32 million baht, totaling 3,422.69 million baht (12.7% YoY) thanks to a strong improvement in bancassurance business that grew by 24.0% (YoY) following an increase in new business volume in line with the recovery of economic activities.

This year, there was an absence of asset management performance fee comparing to the fee of 502.73 million baht recorded in the previous year. Additionally, a gain on financial instruments measured at fair value through profit or loss (FVTPL) totaled 86.42 million baht, declined from a gain of 403.83 million baht in 2021.

Table 3: Non-Interest Income from Core Businesses

Type of Incomes Unit: Million baht	2022	2021	%YoY
Banking Fee	3,422.69	3,036.37	12.7
<i>Bancassurance Fee</i>	2,608.92	2,104.74	24.0
<i>Other Banking Fee</i>	813.77	931.62	(12.7)
Asset Management Basic Fee	1,595.35	1,889.80	(15.6)
Brokerage Fee	685.22	848.56	(19.2)
Investment Banking Fee	99.77	114.08	(12.5)
Non-Interest Income from Core Businesses	5,803.04	5,888.81	(1.5)
Gain (Loss) on Financial Instruments measured at fair value through PL	86.42	403.83	(78.6)
Gain (Loss) on Investments	2.80	6.28	(55.4)
Share Profit from subsidiaries	55.48	7.22	668.8
Dividend Income	72.98	69.61	4.8
Asset Management Performance Fee	3.71	502.73	(99.3)
Fee Expenses	(453.27)	(514.99)	(12.0)
Total Non-Interest Income	5,571.15	6,363.49	(12.5)

3) Operating Expenses

Operating expenses totaled 8,590.84 million baht, increased by 324.27 million baht (3.9% YoY), resulting from an increase in variable expenses associated with revenue and profit growth. The Company still maintained effective operating cost control with cost to income ratio at 46.9%.

4) Expected Credit Loss

Expected credit loss (ECL) was reported at 722.68 million baht, declined (YoY) comparing with 2,063.98 million baht in 2021, and accounted for 0.3% of average loans. This year's ECL expense has already factored in the portfolio expansion as well as aligning with the well-controlled asset quality. Moreover, the Company reduced the setup of ECL expense from last year to reflect the current COVID-19 situation that has eased down. Nonetheless, the Company still maintained a prudent provisioning policy to cushion against potential risks from global economic slowdown. Thus, loan loss coverage ratio remained high at 258.8%.

5) Corporate Income Tax

The corporate income tax for 2022 was 1,766.72 million baht, equivalent to the effective tax rate of 19.6%.

Table 4: Summary of Revenue, Net Profit and Income Tax Expenses 2021 and 2022

2022				2021			
Unit: Million baht				Unit: Million baht			
Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses	Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses
5,090	18,304.78	7,224.08	1,766.72	4,879	18,823.31	6,784.59	1,707.76

The Management Discussion and Analysis on operating results on financial status is a comparison between the financial positions as December 31, 2022 and December 31, 2021

1) Assets

As of December 31, 2022, the Company's total assets were 265,414.44 million baht, increased by 8.9% (YoY), contributed by loan growth of 7.9% (YoY) totaling 219,003.80 million baht and an increase in interbank and money market by 32.1% (YoY) to 40,272.42 million baht.

Table 5: Assets Breakdown as of December 31, 2021 and 2022

Assets	As of Dec 31, 2022	As of Dec 31, 2021	%YoY
Unit: Million baht			
Cash	1,005.07	1,103.43	(8.9)
Interbank and money market items	40,272.42	30,489.21	32.1
Derivatives	147.49	-	n.a.
Financial assets measured at fair value through Profit or Loss	2,172.39	2,081.05	4.4
Investments - net	3,989.88	8,042.76	(50.4)
Investments in subsidiaries and JV	872.81	809.63	7.8
<i>Loans</i>	219,003.80	202,949.67	7.9
<i>Accrued interest receivables</i>	1,722.32	1,712.50	0.6
<i>Allowance for expected credit loss</i>	(11,844.73)	(11,740.17)	0.9
Loans and accrued interest receivables – net	208,881.38	192,922.00	8.3
Other assets	8,073.00	8,173.86	(1.2)
Total assets	265,414.44	243,621.93	8.9

2) Liabilities

As of December 31, 2022 total liabilities were 222,623.81 million baht, increased by 10.0% (YoY) from an increase in total deposits by 13.0% (YoY) to 188,302.73 million baht, and an increase in debentures by 5.3% (YoY) to 15,720.00 million baht.

Table 6: Liabilities Breakdown by Area as of December 31, 2021 and 2022

Liabilities Unit: Million baht	As of Dec 31, 2022	As of Dec 31, 2021	%YoY
Deposits	188,302.73	166,578.85	13.0
Interbank and money market items	6,195.46	8,080.70	(23.3)
Debentures	15,720.00	14,925.00	5.3
Others	12,405.63	12,837.01	(3.4)
Total liabilities	222,623.81	202,421.55	10.0

3) Shareholders' Equity

As of December 31, 2022 shareholders' equity was 42,790.62 million baht, increased by 1,590.24 million baht (3.9% YoY) from an increase in retained earnings of the year 2022. As a result, the book value per share (BVPS) as of December 31, 2022 was 53.44 baht per share.

4) Liquidity

As of December 31, 2022 The Company's cash was 1,005.07 million baht, decreased by 8.9% (YoY). There was net cash flow from operating activities total of 3,079.25 million baht mainly contributed by an increase of deposits while net cash flow from investing activities totaled 3,874.06 million baht, primarily from the cash received from disposal of investment in securities held. Meanwhile, the net cash flows used in financing activities totaled 7,051.66 million baht, mainly driven by the dividend paid.

5) Sources and Uses of Funds

As of December 31, 2022 the funding structure as shown in the consolidated financial statement comprised of 222,623.81 million baht in liabilities and 42,790.62 million baht in shareholders' equity, resulting in a debt-to-equity ratio of 5.2 times. The major source of funds on liabilities side was deposits, which accounted for 70.9% of total source of funds. Other sources of funds included interbank and money market items accounted for 2.3% of total source of funds, 10.6% of debenture and other liabilities, and 16.1% of shareholders' equity, respectively. The Company's major use of funds was loans, amounting 219,003.80 million baht, resulting in a loan-to-deposit ratio of 116.3%. The other uses of funds include interbank and money market items, and various securities.

6) Contingent liabilities

As of December 31, 2022 TISCO Bank, a subsidiary of The Company, had avals, guarantees, and commitments totaled 6,771.26 million baht, increased by 121.9%(YoY).

4.1.2 Business Segment Performances

1) Banking Business

Loans

Total loans and receivables as of December 31, 2022 were 219,003.80 million baht, grew by 7.9% (YoY), driven by corporate loans, commercial loans, auto title loans and used car hire purchase loans.

Retail Lending portfolio totaled 156,842.47 million baht, increased by 0.5% (YoY). The total retail portfolio as of December 31, 2022 consisted of 70.3% car and motorcycle hire purchase loans, 23.2% loans against auto licenses and 6.5% housing loans. The outstanding hire purchase loans totaled 110,264.21 million baht, dropped by 1.9% (YoY)

mainly from a decline in new car hire purchase of 3.5% (YoY) amid cautious underwriting policy. The domestic car sale for the year of 2022 totaled 849,388 units, increased by 11.9% comparing to the same period of last year. The car penetration rate of TISCO for the year of 2022 stood at 4.9%, increased from 4.5% from the last year. Nonetheless, used car hire purchase grew by 12.1% (YoY), and motorcycle hire purchase increased by 0.6% (YoY) following the high-yield loan expansion strategy.

Loans against auto licenses (“Auto Cash”) totaled 36,348.09 million baht, increased by 14.8% (YoY) following a growth strategy into high-yield businesses and branch network expansion strategy, particularly loans through “Somwang” channels which strongly grew by 26.0% (YoY) totaling 22,578.64 million baht and accounted for 62.1% of total loans against auto licenses. Throughout 2022, the number of “Somwang” loan offices were expanded by 94 new branches, totaling 450 branches nationwide.

Housing loans totaled 10,230.17 million baht, dropped by 14.3% (YoY) following highly competitive market condition and rising risk.

Corporate Lending portfolio totaled 44,369.14 million baht, increased by 23.9% (YoY), deriving from loan drawdown from public utilities and service sector and real estate and construction sector.

Commercial Loans portfolio totaled 14,303.41 million baht, increased by 68.8% (YoY) from an increase in car inventory financing business along with the recovery of Thai economy.

Other Loans portfolio totaled 3,488.78 million baht, increased by 31.2% (YoY).

Table 7: Loans and Receivables Breakdown

Loans Unit: Million baht	As of Dec 31, 2022	As of Dec 31, 2021	%YoY
Hire purchase	110,264.21	112,400.47	(1.9)
Loans against auto licenses	36,348.09	31,674.29	14.8
Housing loans	10,230.17	11,939.75	(14.3)
Retail loans	156,842.47	156,014.51	0.5
Corporate loans	44,369.14	35,802.01	23.9
Commercial loans	14,303.41	8,474.30	68.8
Others	3,488.78	2,658.85	31.2
Total loans	219,003.80	202,949.67	7.9

Loan Breakdown

(Left) ■ Retail Loans ■ Corporate Loans ■ Commercial Loans ■ Others
 (Right) ■ Hire Purchase ■ Auto Cash ■ Housing Loans

Debt Relief Programs TISCO Group continued to provide the assistance programs for all affected customers, mainly focusing on long-term debt restructuring to support sustainable recovery. At the end of 2022, the outstanding loans under the assistance programs accounted for 4.4% of total loans, and the outstanding retail loans under the program was 1.2% of total loans. In terms of liquidity support for SMEs clients through Soft Loans scheme, the outstanding soft loans totaled approximately 3,100 million baht.

Asset Quality and Expected Credit Loss

At the end of 2022, the Company reported NPLs amounting 4,576.52 million baht, decreased by 7.7% (YoY), and accounted for NPL ratio of 2.09% of total loans, declining from 2.44% at the end of 2021. This was resulted from the well-controlled asset quality following an effective credit quality control measure, coupled with the continual offerings of assistance measures with purpose to resolve clients’ financial problem in a sustainable manner.

Table 8: Loan Classification

Loan Classification Unit: Million baht	As of	As of	%YoY
	Dec 31, 2022	Dec 31, 2021	
Stage 1 loans (Performing)	192,339.28	175,837.30	9.4
Stage 2 loans (Under-performing)	22,088.00	22,155.06	(0.3)
Non-performing loans (NPLs)	4,576.52	4,957.31	(7.7)
Total loans	219,003.80	202,949.67	7.9

Table 9: NPLs Breakdown by Area

NPLs Unit: Million baht, %	As of		As of	
	Dec 31, 2022		Dec 31, 2021	
	Million baht	%	Million baht	%
Hire purchase	2,605.71	2.36	2,681.63	2.39
Loans against auto licenses	1,039.76	2.86	1,173.22	3.70
Housing loans	840.23	8.21	1,015.48	8.51
NPLs - Retail loans	4,485.70	2.86	4,870.34	3.12
NPLs - Corporate loans	-	-	19.04	0.05
NPLs - Commercial loans	87.45	0.61	65.71	0.78
Others	3.37	0.10	2.22	0.08
Total NPLs	4,576.52	2.09	4,957.31	2.44

At the end of 2022, total allowance for expected credit loss of the Company reported at 11,844.73 million baht, and loan loss coverage ratio remained high at 258.8%.

Deposits and Borrowings

Total deposits and borrowings amounted 204,022.73 million baht, increased by 12.4% (YoY). Total deposits reported at 188,302.73 million baht, increased by 21,723.88 million baht (13.0% YoY) in tandem with loan expansion. Whereas, debentures totaled 15,720.00 million baht, increased by 795.00 million baht (5.3% YoY) due to the new issuances of senior debentures. As of December 2022, the Bank had high-quality liquid assets according to the Liquidity Coverage Ratio (LCR) of 43,331 million baht, increased by 16.7% (YoY). Thus, the high-quality liquid assets were accounted for 21.2% of total deposits and borrowings, and LCR ratio was at 154.6%.

Table 10: Deposits Structure

Deposits Unit: Million baht	As of	As of	%YoY
	Dec 31, 2022	Dec 31, 2021	
Current accounts	1,820.83	2,162.08	(15.8)
Saving accounts	42,929.52	46,931.70	(8.5)
Fixed accounts	42,925.39	34,891.07	23.0
Negotiate certificate deposits	100,590.08	82,557.06	21.8
Short-term borrowings	36.92	36.92	0.0
Total deposits	188,302.73	166,578.85	13.0

2) Securities Business

In 2022, market trading volume weakened substantially comparing to 2021 in the midst of highly volatile capital market condition, as a result average daily turnover of TISCO Securities decreased to 1,681.67 million baht from 2,073.13 million baht in the previous year. Furthermore, brokerage fee income of TISCO Securities declined by 19.2% (YoY) to 685.22 million baht. TISCO Securities' overall market share remained at the same level as last year at 1.3%. TISCO brokerage volume comprised of 50.0% of local institutions, 5.9% of foreign institutions, and 44.0% of retail investors.

3) Asset Management Business

As of December 31, 2022 assets under management of TISCO Asset Management totaled 374,063.77 million baht, expanded by 3.7% (YoY) due to the growth in provident fund and private fund business. Basic fee income reported at 1,595.35 million baht, decreased by 15.6% (YoY) caused by a decrease in the sales of new funds during unfavorable market condition. Whereas, total asset management fee income was at 1,599.06 million baht, dropped by 33.2% (YoY) which was resulted from the absence of performance fee income amounting 502.73 million baht recognized in 2021.

The composition of total asset under management was 66.2% provident fund, 19.4% private fund, and 14.4% mutual fund. Total market share of TISCO Asset Management as of December 31, 2022 was 4.6%, ranking 9th in the market. The market share of provident fund was 17.9%, ranking 1st in the market. The market share of private fund was 3.7%, ranking 5th in the market and the market share of mutual fund was 1.1%, ranking 13th in the market.

Table 11: Assets under Management Breakdown by Type of Fund as of December 31, 2021 and 2022

Funds Unit: Million baht	As of Dec 31, 2022	As of Dec 31, 2021	%YoY
Provident fund	247,652.36	227,117.13	9.0
Private fund	72,717.00	66,740.15	9.0
Mutual fund	53,694.41	67,019.55	(19.9)
Total AUMs	374,063.77	360,876.82	3.7

4.1.3 Capital Requirements

As of December 31, 2022, TISCO Group's internal capital (ICAAP) stood at 37,721.91 million baht comprising of Tier-I capital and available reserve adjustment. The integrated risk capital rose by 479.90 million baht from the end of 2021 to 12,267.18 million baht mainly resulting from an increase in credit risk capital. In addition, the capital surplus remained strong at 25,454.73 million baht or 67.5% of total capital.

Comparing to the end of 2021, the credit risk capital increased by 606.58 million baht, or 6.9% (YoY), to 9,404.29 million baht mostly resulting from loan expansion in corporate loans, SMEs loans, auto-title loans and used car hire purchase portfolios. Total loan portfolio of TISCO Group expanded by 7.9% (YoY), while non-performing loans decreased from 2.4% to 2.1% during the year. Moreover, TISCO Group maintained an effective asset quality control including long-term debt restructuring and debt relief programs.

The market risk capital decreased from 350.84 million baht to 310.62 million baht, which resulted from a rebound in China's stock market during the period. Meanwhile, the overall duration gap slightly increased from 0.58 year to 0.59 year, which was in a manageable level. The assets duration declined from 1.22 year to 1.19 year, while the liabilities duration excluding saving and current accounts, which are less sensitive to the interest rate movement, decreased from 0.64 year to 0.59 year.

Table 12: Average Duration Mismatch of Assets and Liabilities and Its Impact

	Duration		1-Year Net interest income change to 1% interest rate increase	
	Unit: Years		Unit: Million baht	
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021
Assets	1.19	1.22	1,250.92	1,109.43
Liabilities ¹	0.59	0.64	(991.52)	(844.59)
Net gap	0.59	0.58	259.40	264.84

Note: * Exclude saving and current account

In terms of regulatory capital requirement of the Bank, TISCO Group, and Securities Company, the positions were strong and sufficient levels to cushion for the expansion of asset in the future. At the end of December 2022, the projected regulatory capital based on IRB approach of the Bank was 39,557.46 million baht, while the projected capital adequacy ratio (BIS ratio) stood at 23.4%, remaining higher than 11.0% required by the Bank of Thailand. The projected Tier-I and Tier-II ratios of the Bank stood at 19.6% and 3.7%, respectively, in which Tier-I ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the projected regulatory capital based on IRB approach was 38,919.70 million baht, with projected BIS ratio, Tier-I and Tier-II ratios at 20.6%, 17.1% and 3.5%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. stood at 61.1%, which was higher than the minimum required ratio by the SEC of 7.0%.

Table 13: Regulatory Capital Requirement

Capital Adequacy	As of	As of
Unit: %	Dec 31, 2022	Dec 31, 2021
TISCO Financial Group		
Tier-I	17.1	18.6
Tier-II	3.5	4.6
BIS Ratio	20.6	23.2
TISCO Bank		
Tier-I	19.6	20.2
Tier-II	3.7	5.0
BIS Ratio	23.4	25.2

4.1.4 Credit Rating

The Company got credit rating 'A-' and rating outlook "Stable" as at April 20, 2022 from TRIS Rating Co., Ltd. The ratings reflect the Company's strong asset quality, capital base, profitability. The detail of credit ratings is shown as follows;

	Unsolicited Rating
TRIS Rating	
Company Rating	A-
Rating Outlook	Stable

4.2 Forward Looking

The three macro factors that affect the operating performance are economic health, market interest rate trends, and loan and financial service demand. The Company is expecting Thai economy in 2023 to grow, mainly from the strong recovery of tourist sector and private consumption that seems to continuously expand due to employment in service sector. Even though Thai economy is optimistically growing, there is a risk of international economies that would go into the recession. It would affect Thai export which is the biggest portion of Thai economy to contract from the decreasing demand from trade partners. The domestic interest rates will continue upward trend following the policy normalization of the Bank of Thailand. The Company anticipates the policy rate will be gradually increased throughout the year 2023.

The Company expects the loan business will grow along with the economic recovery. The domestic car sales which is the factor of growth of hire purchase is expected to expand since the economic activities is going back to normal, easing the chip shortage situation, and the market entering of the leading EV players. The loan against auto license business is expected to grow from the demand for capital. The corporate lending is expected to grow as well from the demand for capital during the economic recovery. Moreover, since Thailand is heading to aging society, it is another important factor that drives the wealth management business from the financial planning needs as well as life and health insurance which are expected to grow in a long term.

Looking forward, despite the continuous economic growth, the business operation in year 2023 is still full of challenges amid uncertainty from various factors. TISCO Group pursue growth opportunity in high yield business even with the higher risk under prudent risk management practice. At the same time, TISCO aims to expand customer base in the capital market business. TISCO also put emphasize to increase productivity, lower cost to serve, and utilize technology and innovation to enhance the service in response to the changing in customers' demand with an aim to ensure long-term business growth.

4.3 Important Financial Ratios

Important Financial Ratios		2022	2021	2020
Profitability Ratio				
Gross Profit Margin	(%)	87.1	86.4	81.9
Net Profit Margin	(%)	39.5	36.0	32.1
Return on Average Shareholders' Equity	(%)	17.2	16.8	15.4
Interest Income Ratio	(%)	5.8	5.7	5.8
Interest Expense Ratio	(%)	1.1	1.1	1.6
Interest Spread	(%)	4.7	4.5	4.3
Return on Investment	(%)	2.9	5.5	4.3
Efficiency Ratio				
Net Interest Income to Total Assets	(%)	5.0	4.8	4.6
Return on Average Assets	(%)	2.8	2.6	2.1
Total Asset Turnover	(times)	7.2	7.3	6.6
Financial Ratio				
Debt to Equity Ratio	(times)	5.2	4.9	6.0
Total Loans to Total Borrowing and Deposits	(%)	107.3	111.8	103.9
Total Loans to Public Borrowing	(%)	116.3	121.9	110.5
Public Borrowing to Total Liabilities	(%)	84.6	82.3	86.2
Dividend Payout Ratio	(%)	N.A.	84.4	83.2
Asset Quality Ratio				
Allowance for Doubtful Account to Total Loans and accrued interest receivable	(%)	5.4	5.8	5.3
Bad Debt and Doubtful Account to Total Loans and accrued interest receivable	(%)	1.3	1.7	1.7
Allowance for Doubtful Account to Non-performing loans	(%)	258.8	236.8	210.5
Accrued Interest Receivable to Total Loans	(%)	0.8	0.8	0.8
Other Ratios				
Capital Funds to Risk Weighted Asset (BIS) ¹	(%)	23.37	25.21	22.78
Net Capital Rule (TISCO Securities)	(%)	61.1	33.1	43.5

¹ According to the Bank of Thailand's definition

² BIS Ratio of TISCO Bank Plc.

5. General and Other Important Information

5.1 General Information of Referenced Entities

Share Registrar	:	Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. (66) 2009 9000 Fax (66) 2009 9991 SET Contact Center: (66) 2009 9999 Email: SETContactCenter@set.or.th Website: www.set.or.th/tsd
Auditor	:	Ms. Somjai Khunapasut CPA License No. 4499 EY Office Limited 33rd Fl., Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. (66) 2264 0777 Fax. (66) 2264 0789-90
Legal Advisor	:	Not appointed

5.2 Other Important Information

- None -

5.3 Legal Disputes

As of December 31, 2022, the Company and its subsidiaries had 28 unresolved cases from its regular business operations, all of which are related to either the banking business (TISCO Bank Plc.) or the asset management business (TISCO Asset Management Co., Ltd.). The cases involve an estimated total of 227.98 million baht, which represents less than 5% of shareholder equity. Potential for adverse or significant impact on the business operations of the Bank and the Group companies cannot be expressed in specific numbers. Additional details on the legal disputes are presented in the Notes to Financial Statements, item 3.36.2 Litigation. Management of TISCO Group believes that neither the Company nor its subsidiaries will suffer material loss as a result of the aforementioned lawsuits. In addition, there are no claims against the Company by the directors, management or any related persons of the Company or its subsidiaries.

Part 2 Corporate Governance

6. Corporate Governance Policy

TISCO Group is committed to providing customers with competitive and innovative financial solutions. Our commitment to the highest ethical standards and sound corporate governance stems from our conviction that a truly successful business is one that behaves ethically and responsibly in the communities in which it operates. This can only be accomplished by fully protecting the rights and interests of all stakeholders, including shareholders, employees, customers, business partners, creditors, competitors, society, and the environment, through maximum accountability, transparency, equitable treatment, adequate disclosure, and customer data protection. This commitment is made on behalf of TISCO and its subsidiaries, directors, management, and employees.

Along with adhering to the Securities and Exchange Commission's 2017 Corporate Governance Code for publicly traded companies, TISCO Group reviews its Corporate Governance Policy annually to ensure that it reflects the Group's business and social sustainability objectives, including the maximization of shareholder value and benefits for all stakeholders. The policy also serves to establish a framework for directors, management, and TISCO Group employees to follow in accordance with applicable law. The Corporate Governance Committee reviews and recommends changes to the policy for Board of Directors approval.

The TISCO Corporate Governance Policy encompasses the organization's composition, roles, and responsibilities as reflected in the Corporate Governance Structure, Corporate Governance Practices, Governance Structure, Corporate Compliance Roles and Responsibilities, and Centralized Policies. The Company and its subsidiaries, including directors, management, and employees, are expected to adhere strictly to the Group's Corporate Governance Policy and the following corporate governance principles: Shareholder Rights, Equitable Treatment of Shareholders, Stakeholder Roles, Disclosure and Transparency, Board Responsibilities, and Integrity and Ethics. This compliance is necessary to ensure that TISCO Group's subsidiaries carry out their responsibilities with the utmost accountability, transparency, and equity toward all stakeholders, thereby promoting managerial integrity, effectiveness, and efficiency throughout the Group. (The Corporate Governance Policy is available at www.tisco.co.th).

TISCO adheres to both domestic and international regulations, as evidenced by the ASEAN Corporate Governance Scorecard 2021. TISCO is one of 234 ASEAN Asset Class PLCs with a minimum 97.50 score in the ASEAN Capital Markets Forum's (ACMF) and Asian Development Bank's (ADB)'s assessment, which involves each ASEAN country's capital market authority. For the 16th consecutive year, TISCO received an Excellent Corporate Governance Report from the Thai Institute of Directors (IOD) in 2020. This achievement is even more impressive given that 750 publicly traded companies were assessed for corporate governance. Additionally, as a publicly traded company, TISCO passed the 2022 Annual General Meeting Checklist with a perfect score of 100 for the eighth consecutive year. The Thai Investor Association conducted the evaluation, which included 751 companies, in collaboration with the Securities and Exchange Commission and the Thai Listed Companies Association. TISCO was recognized for its corporate governance efforts in the areas of sustainable development, environmental stewardship, social responsibility, and good governance. These objectives demonstrate the Company's commitment to developing financial products and services that are beneficial to shareholders and demonstrate good corporate governance by benefiting society and the environment. For more than 50 years, these have been critical components of the organization's sustainable development. The Company presented the assessment results to the Corporate Governance Committee, which in turn reported them to the Board of Directors for review and improvement of TISCO Group's corporate governance.

TISCO Group helps all employees understand the importance of adhering to the Company's Corporate Governance Policy by planning events that encourage oversight on a continuous basis. These events ensure that all directors, executives, and employees are capable of carrying out their responsibilities effectively and responsibly and fully comprehend the rules, regulations, and codes of conduct that govern their organizations.

In 2022, TISCO Group conducted and reviewed an assessment of its Corporate Governance Policy and made recommendations to the Board of Directors. In accordance with statutory requirements and best practices, activities were organized to promote corporate governance, such as lectures to educate directors, executives, and all employees on the principles of good corporate governance, the employee Codes of Conduct, Sustainable Development, Sustainable Banking, policy for the prevention of exploitation of duties, risk management, and fraud prevention, internal control, and observance of applicable laws and regulations.

6.1 Overview of Corporate Governance Policies and Guidelines

6.1.1 Policies and Guidelines regarding the Board of Directors

The Company has established important policies and guidelines regarding the Board of Directors in order to ensure transparency and fairness in the Company's business operations. These policies and guidelines address the nomination and compensation of directors and executives, the independence of the Board of Directors from the management, professional development for directors, the performance assessment of the Board of Directors and the supervision of subsidiary companies.

1. Nomination of Directors

The director positions shall be filled through the nomination process of the Nomination and Compensation Committee, in accordance with legal requirements and good corporate governance practices. The Committee selects candidates from various sources, including the Director Pool, and makes choices based on the Board Skill Matrix and candidate alignment with TISCO Group's current and future missions, strategies, and commitment to sustainable development. The Board of Directors is composed of individuals with diverse skills, experience, and expertise, adding value to TISCO.

2. Remuneration of Directors

TISCO Group has established a policy for the remuneration of directors to ensure that pay is appropriate and commensurate with the responsibilities of directors and in accordance with the company's size and business operations, as well as TISCO Group's performance. The remuneration policy aims to bring maximum benefit to shareholders while also being comparable to those of peers. In this regard, the Nomination and Compensation Committee is responsible for reviewing its appropriateness and proposing to the Board of Directors and shareholders, approval of the remuneration of the executives and directors, respectively, on an annual basis.

3. Independence of the Board of Directors from the Management

The responsibilities and duties of the Board of Directors and management are clearly defined such that the Chairman of the Board of Directors and the Group Chief Executive cannot be the same person. The Corporate Governance Policy outlines the roles and responsibilities of the Board, Chairman, CEO, and management.

4. Director Development

TISCO Group places a strong emphasis on director development and encourages its directors to regularly attend courses or engage in activities that build knowledge that is relevant to their roles and responsibilities. These courses and activities are conducted by organizations such as the Stock Exchange of Thailand, the Securities and Exchange Commission, the Thai Institute of Directors Association, and others. Additionally, the directors are encouraged to attend seminars and participate in activities that promote good corporate governance practices. The corporate secretary is kept up to date on any training and seminar opportunities for directors.

5. Supervision of subsidiaries / associated companies and disclosure of the results of CG Policy implementation.

The Board of Directors has established clear policies for supervising the management of subsidiary companies and strictly implements its Corporate Governance Policy. This ensures effective oversight of operations and coordinates benefits among the companies. The operating results are regularly reported to the Board of Directors, subcommittees, or designated individuals.

Supervision results of internal control and risk management

The Board of Directors approves key policies, reviews them, and assigns them for approval to the Risk Oversight Committee. These policies are communicated to employees for their understanding and use as operational guidelines. The committee oversees the implementation of these policies through the reports of the Risk Oversight Committee and the Audit Committee.

6.1.2 Policies and Guidelines regarding Shareholders and Stakeholders

Rights and Equitable Treatment of Shareholders

TISCO recognizes the basic rights of its shareholders and commits to protecting and facilitating the exercise of those rights. These include the right to buy, sell, or transfer their shares; the right to receive their rightful portion of TISCO's profits; the right to easily obtain relevant and adequate information on TISCO on a timely and regular basis; the right to effectively participate and vote in general shareholders meetings and to be informed of the rules that govern the general shareholders' meeting; the right to elect and remove members of the Board of Directors; and the right to participate in, and to be sufficiently informed of, decisions concerning fundamental company changes.

TISCO fairly and equally treats all shareholders, majority or minority, individual or institutional, foreign or Thai, executive or non-executive. Among its policies are:

- a) Minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.
- b) Insider trading and self-dealing abuses are strictly prohibited.
- c) Members of TISCO's board and senior management are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting TISCO.

Stakeholders interests

To ensure that operations are sustained, and stakeholder expectations are met, TISCO has developed processes for listening to stakeholder opinions and concerns, building mutual understanding, encouraging cooperation in matters that are of interest to stakeholders, and taking part in positive societal and environmental development. TISCO treats all stakeholders fairly and responsibly in accordance with its Sustainability Development Policy, its Responsible Lending Policy, and the legal rights of stakeholders, either established by law or through mutual agreements. These stakeholders include TISCO's shareholders, employees, customers, business partners and creditors, competitors, and society at large.

6.2 Business Ethics

The Board of Directors promotes a Statement of Business Conduct and a Code of Conduct which align with the Company's Vision and Core Values, and which delineate the basic principles for execution of duties and compliance with professional standards by directors and employees. Directors and employees must perform their duties with integrity, and in compliance with the law and the Company's rules and regulations, and must follow a business approach that is transparent, honest, fair, and conducive to the organization attaining international standards. Details of the Statement of Business Conduct and the Code of Conduct can be found on the Company's website, www.tisco.co.th, under the "Corporate Governance" section.

The Company has identified important regulations and practical guidelines that are in accordance with the Code of Conduct; these are, detailed and disseminated to employees. Companies within TISCO FINANCIAL GROUP are encouraged to establish operational procedures in accordance with the nature of their businesses and the requirements of governing authorities.

Practices and actions that are in line with the Code of Conduct have been communicated to directors, executives, and employees. In addition, the Company has assessed executives and employees for their understanding of the Code of Conduct and monitors compliance with the code on a regular basis.

6.3 Significant Changes and Developments in Corporate Governance Policies, Guidelines and Systems in 2022

6.3.1 Significant Changes and Developments

In 2022, the Company evaluated its Corporate Governance Policy, guidelines, and systems for increased efficiency and to ensure the corporate governance standards are consistent with the Office of the Securities and Exchange Commission's 2017 Corporate Governance Code for Listed Companies. To this end, significant steps were taken, as follows below:

- The Corporate Governance Committee reviewed TISCO's Corporate Governance Policy against the guidelines of the Thai Institute of Directors.
- The Board of Directors Meeting No. 1/2023, held on February 21, 2023, approved a revision of the Corporate Governance Policy to be compliant with the business, transparent in operation, and consistent with the official guidelines.
- The Nomination and Compensation Committee reviewed TISCO's Board Skill Matrix to make sure it met the rules of the Stock Exchange of Thailand.
- The Nomination and Compensation Committee reviewed the Performance Assessment Process and Forms for the Board, the Independence of Directors, and the Group Chief Executive before proposing them for Board approval and use in 2022. The committee also suggested that all subcommittees consider the use of the evaluation forms from the Thai Institute of Directors and adopt them as needed.
- TISCO conducts an annual mandatory compliance program for all employees regarding regulatory compliance, the Personal Data Protection Act, the regulations of the Bank of Thailand, and employee guidelines and policies relating to operations via the TISCO Intranet. The exam results are used to increase employee awareness of their duties and responsibilities in accordance with sound corporate governance principles. Employees taking the test immediately benefit from the answers supplied to all questions. The Company has revised the test in response to changes in applicable laws and regulations. All employees are obliged to pass the test as a mandatory Key Performance Indicator. All employees hired throughout the year must pass the test in addition to attending orientation and the test findings will be included in their

evaluation. The goal is for all management and staff to understand and effectively carry out their responsibilities in accordance with applicable rules and policies relating to operations, as well as to promote sustainable business operations.

6.3.2 Application of the Principles, in Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission

The Company reviews the application of the principles in the 2017 Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission at least once a year through the Corporate Governance Committee. At the Board of Directors Meeting No. 7/2022 on December 19, 2022, the Board considered the application of the principles, i.e., the Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission, the Banking Industry Code of Conduct set by the Thai Banker's Association, and Corporate Governance for Financial Institutions prescribed by the Bank of Thailand, then recorded them as a board resolution.

6.3.3 Compliance with Other Good Corporate Governance Principles

The Company recognizes the importance of and adheres to good corporate governance principles, including international standards for transparency and the appropriateness of TISCO's business operations. In 2021, there were still some issues where TISCO Group's practices differed from the Corporate Governance Code for Listed Companies as prescribed by the Office of Securities and Exchange Commission and the Thai Institute of Directors Association:

- The board of directors should comprise at least 5 but no more than 12 directors, depending on the size, nature, and complexity of the business. As of December 31, 2022, the Company's Board of Directors was composed of 13 members, a number suitable for the nature, expansion, and complexity of business. The Company required directors with experience, knowledge, and a breadth of skills to assist the Board of Directors in carrying out its responsibilities efficiently.
- The disclosed shareholder structure should clearly show the beneficial shareholders of the Company. As of December 30th, 2022, some shareholders of the company appeared as nominees, which are custodians for foreign investors. It is common for foreign investors to appoint nominees to hold and manage their shares on their behalf, so this falls outside the control of the company.
- The company should appoint an external consultant to set guidelines and provide recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report. There was no external advisor hired in 2022 to assist with the board of directors' performance evaluation. The Board of Directors agreed with the Corporate Governance Committee that the current assessment is appropriate. However, an external advisor could still be used in the future.

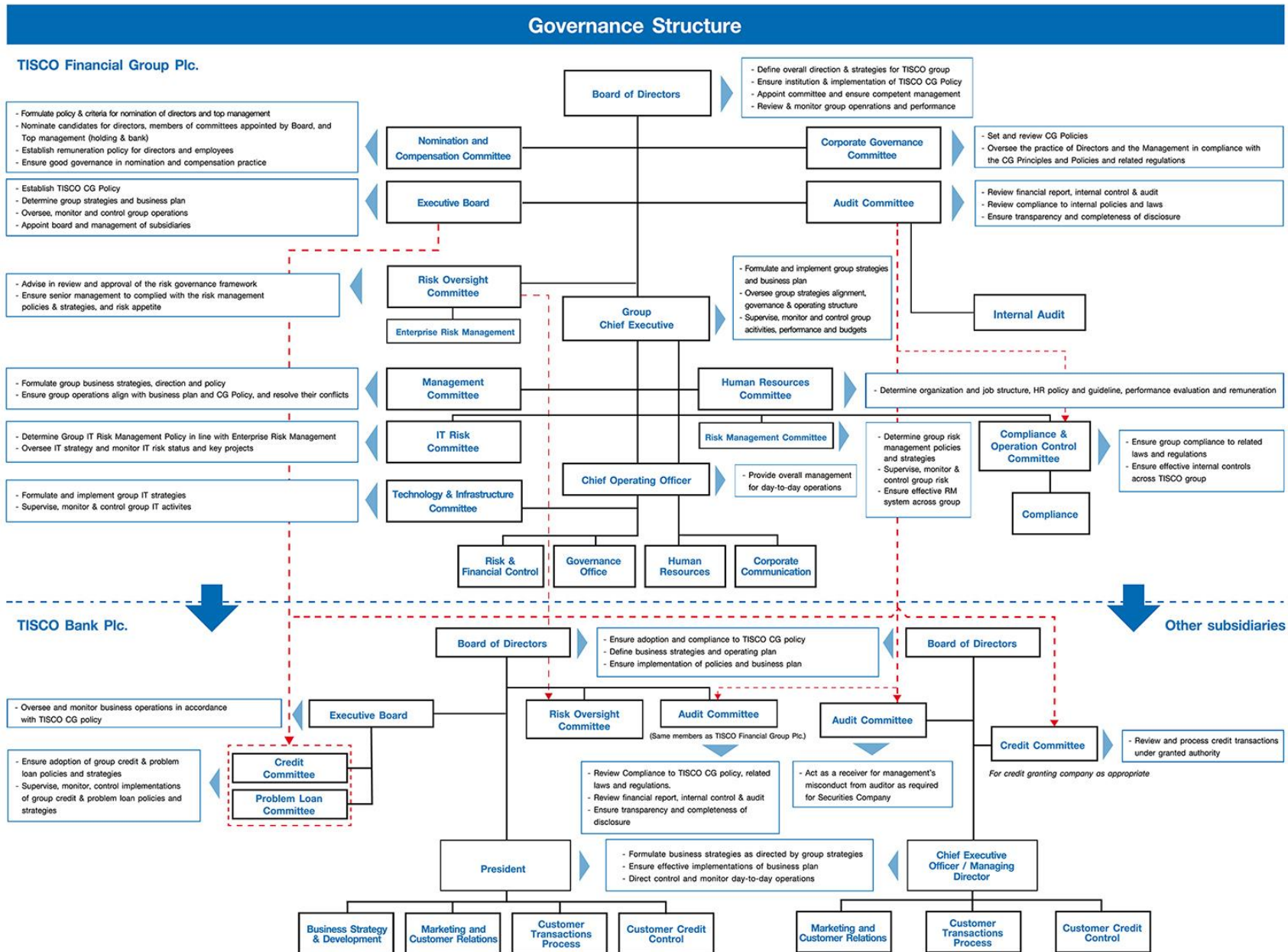
7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others

7.1 Corporate Governance Structure

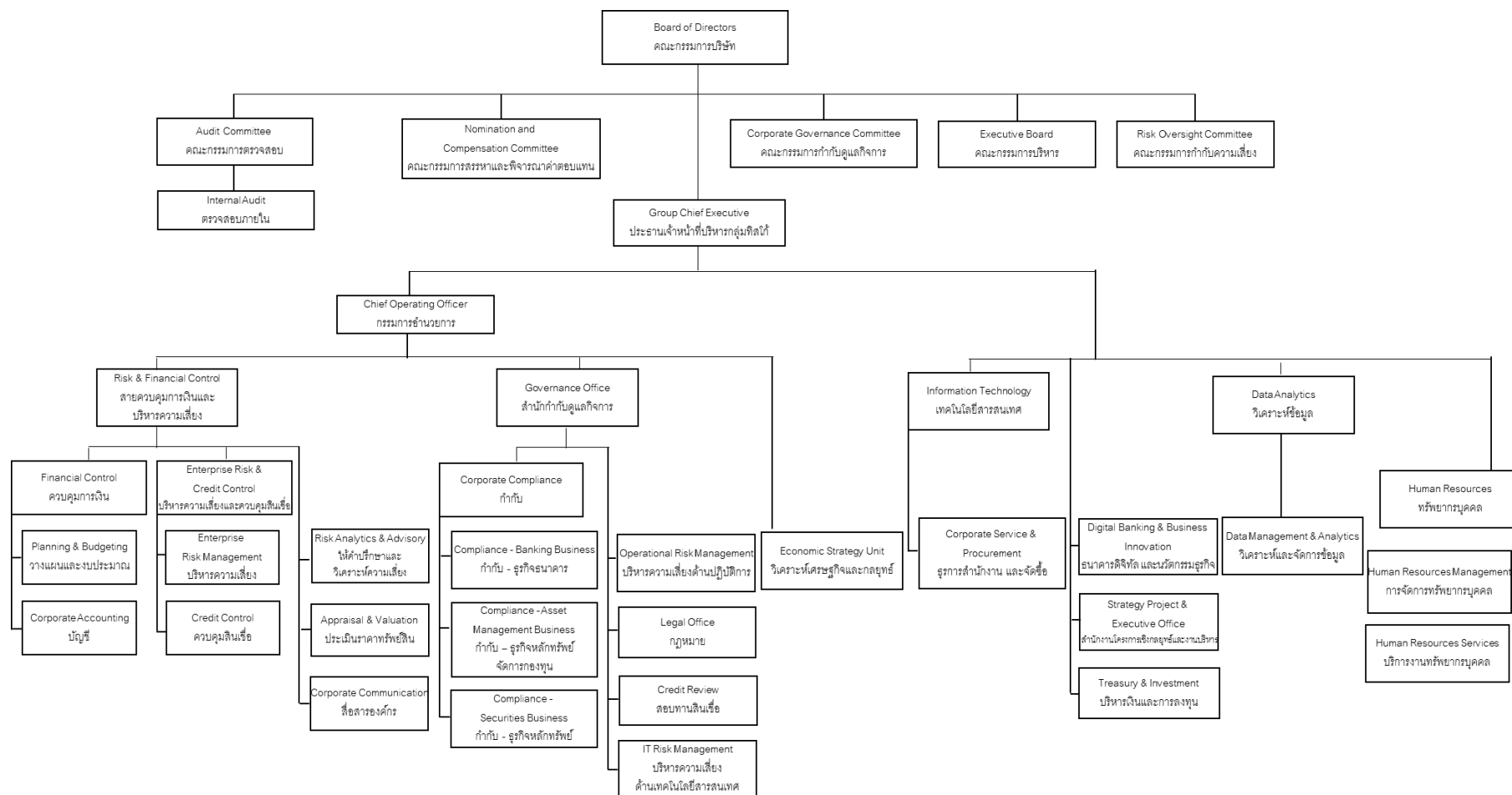
TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees and monitors the business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management, business development, compliance, and corporate support functions are centralized at the Company for the Company and its subsidiaries to operate the business in accordance with TISCO Group's Corporate Governance Policy. Subsidiary companies function as strategic business units, responsible for marketing, transactions, processing, and credit control activities.

The Board of Directors is responsible for monitoring and controlling the business operations of TISCO Group. Other Boards and committees will be appointed according to their needs and suitability to carry out specific missions and tasks.

The governance structure of TISCO Group is exhibited as follows:



Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2023



7.2 Details of the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors was comprised of directors with diverse backgrounds and experiences consisting of professional skills, specializations, age, gender, experience, and other important qualifications. The Board of Directors has an appropriate number and is in accordance with the shareholder resolutions, applicable laws and regulations, and the Company's Articles of Association. There are clear duties and responsibilities, and a proper power balance exists. It does not provide anybody or any organization with limitless authority. In the nomination process, TISCO Group has determined the required qualifications for directors in accordance with the business strategy by using the director pool to nominate new directors. Details are in Article 8.1, "Nomination Criteria for Independent Directors and Non-Executive Directors." A brief profile of each director can be found on the company website, www.tisco.co.th.

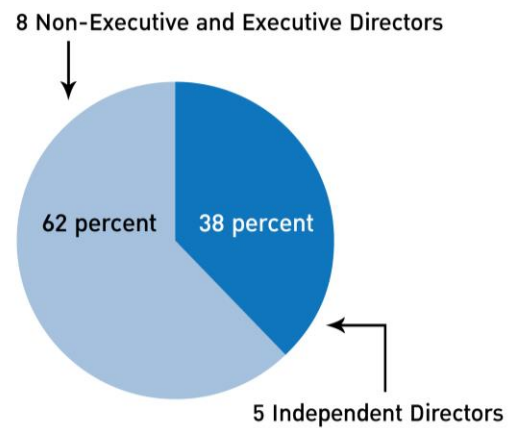
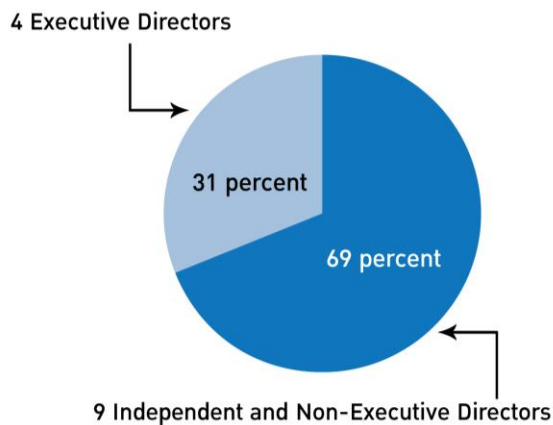
The Board of Directors consists of 13 members as of December 31, 2022, who possess an acceptable level of knowledge in banking and finance, accounting, economics, strategy, law, and information technology. This number is appropriate for the Company's business operations. The Board of Directors was elected in accordance with shareholder resolutions, applicable laws and regulations, and the Company's Articles of Association. The composition complies with the Bank of Thailand's notifications, the Capital Market Supervisory Board's regulations, and the Securities and Exchange Commission's laws. The composition of the Board of Directors can be summarized as follows:



10 Male Members, accounting for 73 percent of all Board members



3 Female Members, accounting for 27 percent of all Board members



Board Skill Matrix	Categories of Knowledge, Skills, Experience, and Expertise										
	Core Skills			Specific Skills							
	Management	Strategy & Risk	Visionary Leadership	Financial Services	Finance & Accounting	Talent & Compensation Management	Sustainability & Governance	IT & Digital Business	Economics	Law & Regulatory	Diversified Industry Knowledge
1. Mr. Pliu Mangkornkanok	✓	✓	✓	✓	✓	✓	✓	✓			Energy, Engineering
2. Mr. Ba Dung Le	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Auto, Property, Energy
3. Assoc. Prof. Dr. Angkarat Priebjivat	✓	✓	✓	✓	✓		✓	✓			Energy, Household & Office Supply, Tourism
4. Mr. Sathit Aungmanee	✓	✓	✓	✓	✓	✓	✓		✓	✓	Auto, Property
5. Mr. Kanich Punyasthiti	✓	✓	✓	✓		✓	✓			✓	Property, Development
6. Ms. Pongpen Ruengvirayudh	✓	✓	✓	✓	✓		✓				Packaging
7. Ms. Penchun Jarikasem	✓	✓	✓		✓		✓			✓	Energy
8. Assoc. Prof. Dr. Sillapaporn Srijunpetch	✓	✓	✓	✓	✓		✓	✓		✓	
9. Assoc. Prof. Dr. Vara Varavithya	✓	✓	✓				✓	✓		✓	Electronic, Energy, Engineering
10. Mr. Chi-Hao Sun (Howard Sun)	✓	✓	✓	✓	✓			✓	✓		Auto, Food, Fashion
11. Mr. Satoshi Yoshitake	✓	✓	✓	✓	✓		✓		✓		
12. Mr. Sakchai Peechapat	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Auto, Property, Energy
13. Mr. Metha Pingsuthiwong	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Auto, Food, Petro, Property, Energy, Steel
Total	13	13	13	11	11	6	12	8	6	8	

7.2.2 Details of Directors and Controlling Persons

Board of Directors

As of December 31, 2022, the Board of Directors comprised the following 13 directors:

Name	Position	Type of Director
1. Mr. Pliu Mangkornkanok	Chairman	Non-Executive Director
2. Mr. BaDung Le	Vice Chairman Member of Nomination and Compensation Committee	Non-Executive Director
3. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of Risk Oversight Committee Chairperson of Corporate Governance Committee	Non-Executive Director
4. Mr. Sathit Aungmanee	Chairman of Nomination and Compensation Committee	Non-Executive Director
5. Mr. Kanich Punyashthiti	Member of Nomination and Compensation Committee Member of Corporate Governance Committee	Independent Director
6. Ms. Pongpen Ruengvirayudh*	Member of Audit Committee Member of Corporate Governance Committee	Independent Director
7. Ms. PENCHUN Jarikasem ^{*1}	Chairperson of Audit Committee Member of Nomination and Compensation Committee	Independent Director
8. Assoc. Prof. Dr. Sillapaporn Srijunpetch ²	Member of Audit Committee	Independent Director
9. Assoc. Prof. Dr. Vara Varavithya ³	Member of Risk Oversight Committee	Independent Director
10. Mr. Chi-Hao Sun (Howard Sun)	Member of Executive Board	Executive Director
11. Mr. Satoshi Yoshitake	Member of Executive Board	Executive Director
12. Mr. Sakchai Peechapat	Chairman of Executive Board Member of Risk Oversight Committee Group Chief Executive	Executive Director
13. Mr. Metha Pingsuthiwong*	Member of Executive Board Chief Operating Officer President of TISCO Bank	Executive Director

Remark * Appointed as director according to the resolution of 2022 Annual General Meeting of Shareholders.

¹ Ms. PENCHUN Jarikasem was appointed as Chairperson of Audit committee, effective June 27, 2022, in replacement of Dr. Kulpatra Sirodom who resigned on May 31, 2022.

² Assoc. Prof. Dr. Sillapaporn Srijunpetch was appointed as Independent Director and Member of Audit Committee, effective June 30, 2022.

³ Assoc. Prof. Dr. Vara Varavithya was appointed as Independent Director and Member of Risk Oversight Committee, effective December 9, 2022.

Director who resigned or retired during the year

Name	Position	Type of Director
1. Mr. Suthas Ruangmanamongkol	Chairman of Executive Board	Executive Director
2. Prof. Dr. Pranee Tinakorn	Chairperson of Nomination and Compensation Committee	Independent Director
3. Prof. Emeritus Dr. Teerana Bhongmakapat	Chairman of Corporate Governance Committee	Non-Executive Director
4. Dr. Kulpatra Sirodom	Chairperson of Audit Committee Member of Corporate Governance Committee	Independent Director
5. Dr. Charatpong Chotigavanich	Member of Risk Oversight Committee Member of Corporate Governance Committee	Independent Director
6. Prof. Dr. Thanaruk Theeramunkong	Member of Risk Oversight Committee	Independent Director

The authorized directors with signatory authority on behalf of the Company are Mr. Sakchai Peechapat, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Metha Pingsuthiwong: two out of these four directors jointly sign with the Company's seal affixed.

7.2.3 Roles and Duties of the Board of Directors

The Board of Directors is accountable to the Company's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders. The Board has duties and responsibilities designated in the Board of Directors Charter as follows:

Authority and Responsibilities of the Board of Directors

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment, and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies, and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistle-blowing policy and internal control system.
7. Realize the problem of corruption, oversee the measure of anti-bribery, and ensure that TISCO has a framework of internal control which is suitable for anti-bribery.
8. Ensure and monitor the effectiveness of the integration of governance, risk management, and compliance (GRC).
9. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
10. Approval of the appointment, relocation, and dismissal of the head of risk management functions namely Enterprise Risk Management, Operational Risk Management, and IT Risk Management, as advised by the Risk Oversight Committee.
11. Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.

12. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third-party evaluation (if necessary).

13. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee

14. Work in partnership with the Group CEO and senior management in defining the overall direction and strategies of TISCO Group concerning sustainable business, including promoting and integrating innovation into the strategy and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.

15. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.

16. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.

17. Appoint a Corporate Secretary to take care of the Board's and directors' activities and administer critical corporate matters in full compliance with all relevant laws and related regulations. The Corporate Secretary's responsibilities also include monitoring compliance to the Board's resolutions and handling the Board and Shareholders' Meetings on matters concerning notices, minutes and other duties as required by related laws and regulations.

The following activities require approval of the Board of Directors

1. Vision, Mission, Brand and Corporate Value, including TISCO Group's Policy
2. TISCO's business model, corporate strategies, business plan, and Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO
3. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
4. Appointment of Board of Directors and Subcommittees as well as delegation of authority
5. Nomination and appointment names of qualified candidates for Group Chief Executive

Authority and Responsibilities of Chairman of the Board

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.

2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.

3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.

4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.

5. Ensure good working relationship between the executive and non-executive directors and between the Board members and management, meanwhile ensure adequate time for discussion of all agenda, particularly strategic issues as well as support the Board to independently uses their discretion and express their opinion.

6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.

7. Provide access, advice, and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.

8. Promote effective relationships and communications between non-executive directors and senior management.

9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.

10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

Authority and Responsibilities of Vice Chairman of the Board

A vice chairman has the duties as specified in the Public Companies Act and the articles of association in respect of the business entrusted by the chairman of the board, including taking the role as the acting Chairman of the Board during the period when the Chairman is absent, and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.

7.2.4 Details of Directors and Controlling Persons of TISCO Bank Public Company Limited, the Core Company

TISCO Bank's Board of Directors

As of December 31, 2022, TISCO Bank's Board of Directors comprised the following 11 directors:

Name	Position	Type of Director
1. Mr. Pliu Mangkornkanok	Chairman	Non-Executive Director
2. Assoc. Prof. Dr. Angkarat Priebrivat	Chairperson of Risk Oversight Committee	Non-Executive Director
3. Mr. Kanich Punyashthiti	Director	Independent Director
4. Ms. Pongpen Ruengvirayudh	Member of Audit Committee	Independent Director
5. Ms. PENCHUN Jarikasem	Chairperson of Audit Committee	Independent Director
6. Assoc. Prof. Dr. Sillapaporn Srijunpetch	Member of Audit Committee	Independent Director
7. Assoc. Prof. Dr. Vara Varavithya	Member of Risk Oversight Committee	Independent Director
8. Mr. Chi-Hao Sun (Howard Sun)	Member of Executive Board	Executive Director
9. Mr. Satoshi Yoshitake	Member of Executive Board	Executive Director
10. Mr. Sakchai Peechapat	Chairman of Executive Board Member of Risk Oversight Committee	Executive Director
11. Mr. Metha Pingsuthiwong	Member of Executive Board Member of Risk Oversight Committee President of TISCO Bank	Executive Director

The authorized directors with signatory authority on behalf of the Bank are Mr. Sakchai Peechapat, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Metha Pingsuthiwong: two out of these four directors jointly sign with the Bank's seal affixed.

Authority and Responsibilities of TISCO Bank's Board of Directors:

Under consolidated supervision framework, the Board shall ensure that the Bank adopt and adhere to TISCO Corporate Governance Policy approved by the Board of Directors of the parent company. TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO Group, business strategy, management and operations, risk and controls, human resources, finance and accounting, corporate affairs, and public and corporate communications. The Board shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders.

1. Approve business & operating plan of the Bank, as directed by TISCO Group's corporate strategies and business plan.
2. Ensure the institution of internal business codes and ethics, codes of conduct for directors, management and employees.
3. Continuously review the Bank's operations to ensure that its directors, management, and employees conduct the Bank's businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.
4. Ensure competent management of the Bank including appointing senior management.
5. Ensure the institution of effective systems for internal control and audit.
6. Ensure that the Bank's management refers significant issues to the Bank's Board of Directors.
7. Ensure that the Bank's management has in place risk management policies, processes and controls of all risk types. The Board shall be responsible for approval of adoption and ongoing implementation of such risk management policies and guidelines.
8. Appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy.
9. Ensure that the Bank has policies, guidelines, and controls procedures for granting credit and investment transactions with related parties.
10. Ensure that there is a process for prompt submission of management letters from the external auditor and management to the Bank's Board of Directors.
11. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Bank, in particular the proportion or the number of independent directors on the Board.
12. Ensure that the Board and the parent company receive sufficient information to effectively discharge its authorities, duties, and responsibilities.
13. Report business activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the Bank of Thailand.

7.3 Details of Board Committees

7.3.1 Board Committees

The Board of Directors may assign any other committees or an attorney to conduct business on behalf of the Board. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest with stakeholders as defined by the Securities and Exchange Commission or may have any other conflict of interest with the Company or subsidiary companies. Details of the members and authorities of the subcommittee are shown in 7.3.2.

The Board structure is comprised of Board of Directors and five subcommittees appointed by the Board of Directors: (1) Executive Board, (2) Risk Oversight Committee (3) Audit Committee, (4) Nomination and Compensation Committee, and (5) Corporate Governance Committee. In addition, the Company assigned certain Management Committee and management supervising important functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded those managements to the same subsidiary companies for the same responsibilities on a full-time basis. This is to ensure that they will devote their time to effectively managing subsidiary companies under TISCO Group strategy and plan approved by the Board of Directors.

7.3.2 Details of Members and Authority of the subcommittees

Executive Board

As of December 31, 2022, the Executive Board appointed by the Board of Directors was comprised of four Executive Directors as follows:

Name	Position	Number of attendance / Number of total meetings
1. Mr. Sakchai Peechapat	Chairman	12/12
2. Mr. Chi-Hao Sun (Howard Sun)	Member	12/12
3. Mr. Satoshi Yoshitake	Member	12/12
4. Mr. Metha Pingsuthiwong ^{/1}	Member	9/9
Director who resigned or retired during the year		
1. Mr. Suthas Ruangmanamongkol ^{/2}	Chairman	3/3

Remark ^{/1} Mr. Metha Pingsuthiwong was appointed as Member of Executive Board effective April 26, 2022.

^{/2} Mr. Suthas Ruangmanamongkol retired from his position as executive director on April 25, 2022.

The Executive Board convened twelve meetings throughout the year 2022 and regularly reported to the Board of Directors. Report of the Executive Board are shown in attachment of this Form 56-1 One Report.

Authority and responsibilities of Executive Board

- Determine and propose group business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to TISCO Board for approval.
- Review and oversee the TISCO Group business plan and budget, monitors performance and institutes TISCO Group's Centralized Policies on all important operational and control areas.
- Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
- Promote innovative strategy and the use of technology to enhance competitiveness in which respond to stakeholder concerns & expectations and meet social & environmental responsibilities.
- Supervise subsidiary companies of transactions that involved high risk.
- Approve annual compliance report of TISCO Group in order to ensure the acknowledgement and accountability of the Board with compliance.
- Approve compliance policy and compliance function charter.
- Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
- Act on behalf of TISCO as the major shareholder in appointment of the Board of Directors of all subsidiary companies, except TISCO Bank, TISCO Securities and TISCO Asset Management.
- Ensure that managements of the company and subsidiary company refer material issues of the Group to Executive Board.
- Ensure the effectiveness of the implementation of risk management framework and risk management guidelines in alignment with approved risk management policies, strategies and appetite.
- Appoint and supervise Credit Committee and Problem Loan Committee.
- Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
- Oversee and monitor the significant compliance matters of TISCO Group
- Appraise annual performance of compliance function with involvement of TISCO Risk Oversight Committee to balance the power of management and promote good governance.

16. Ensure that all subcommittees appointed by Group CEO are established, composed, and operated appropriately and professionally.

Risk Oversight Committee

As of December 31, 2022, the Risk Oversight Committee appointed by the Board of Directors was comprised of Non-Executive Director, Executive Director, and Management, totaling 4 persons as follows:

Name	Position	Number of attendance / Number of total meetings
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson (Non-Executive Director)	7/7
2. Assoc. Prof. Dr. Vara Varavithya	Member (Independent Director)	0/0
3. Mr. Sakchai Peechapat	Member (Executive Director)	7/7
4. Mr. Chatri Chandrangam	Member (Management)	7/7
Director who resigned or retired during the year		
1. Dr. Charatpong Chotigavanich ¹	Member	1/1
2. Prof. Dr. Thanaruk Theeramunkong ²	Member	0/3

Remark ¹ Dr. Charatpong Chotigavanich retired from his position as member of Risk Oversight Committee, effective April 25, 2022.

² Prof. Dr. Thanaruk Theeramunkong resigned from his position as member of Risk Oversight Committee, effective September 1, 2022.

The Risk Oversight Committee convened seven meetings throughout the year 2022 and regularly reported to the Board of Directors. Report of the Risk Oversight Committee are shown in this 56-1 One Report.

Authority and responsibilities of Risk Oversight Committee

1. Advise the Board in review and approval of the risk governance framework as stipulated by the Bank of Thailand.
2. Ensure senior management including head of risk management functions complied with the risk management policies & strategies, and risk appetites.
3. Oversee the strategies on capital and liquidity management in line with approved risk appetites.
4. Report to the Board regarding risk exposures, effectiveness of risk management, implementation progress of risk culture, significant issues and required improvement in compliance with risk management policies & strategies.
5. Express an opinion and participate in evaluating the effectiveness and efficiency of head of risk management functions.
6. Exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies & strategies and risk appetite (at least once a year).

Audit Committee

As of December 31, 2022, the Audit Committee which was appointed by the Board of Directors comprised of three Independent Directors. The Committee convened twelve meetings throughout the Year 2022 as follows:

Name	Position	Number of attendance / Number of total meetings
1. Ms. Penchun Jarikasem ¹	Chairperson (Independent Director)	8/8
2. Ms. Pongpen Ruengvirayudh	Member (Independent Director)	8/8
3. Assoc. Prof. Dr. Sillapaporn Srijunpetch	Member (Independent Director)	6/6
Director who resigned or retired during the year		
1. Dr. Kulpatra Sirodom ²	Chairperson	5/5
2. Assoc. Prof. Dr. Angkarat Priebjivat	Member	4/4
3. Mr. Sathit Aungmanee	Member	4/4

Remark ¹ Ms. Penchun Jarikasem was appointed as Chairperson of Audit committee effective June 27, 2022.

² Dr. Kulpatra Sirodom resigned from her position as Chairperson of Audit Committee effective May 31, 2022.

All three members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.

The Audit Committee had at least six meetings per year and reviewed performance on a regular basis in accordance with the Audit Committee Charter. The Audit Committee convened twelve meetings throughout the Year 2022 and reported to the Board of Directors. Report of the Audit Committee in 2022 are shown in this 56-1 One Report.

Secretary to the Audit Committee is Ms. Chuenchit Trakarnratti

Authority and responsibilities of Audit Committee

- Review the TISCO Group's financial report to ensure accuracy and adequate disclosure, as well as whether the interim financial statement is approved.
- Review and evaluate that TISCO Group has suitable and efficient internal control system and internal audit.
- Review TISCO Group's operations to ensure compliance with related laws and regulations.
- Oversee the appropriateness of the Company's risk management processes and ensure that they are properly functioning as intended
- Consider selecting and nominating or removing the external auditor of TISCO Group and recommending the remuneration of such auditor, as well as meet with the external auditor at least once a year without participation of management.
- Review significant related party transactions that comply with the determined policy but may give rise to conflicts of interest or have conditions differing from normal business practice to ensure that the transactions are executed with transparency for the best interest of shareholders and in compliance with related laws and regulations.
- Review accuracy and completeness of the disclosure of TISCO Group, especially the connected transaction or the transaction that may cause conflict of interest.
- Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
- Consider the independence of TISCO Group's Internal Audit function, and approve Internal Audit policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
- Appoint, transfer, or dismiss Head of Internal Audit, and review an effectiveness and efficiency of head of internal audit's performance.
- Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds, gets reported or suspects any transactions or actions which may affect the Company's financial position and performance significantly as follows;

- Transaction which causes conflict of interest;
- Fraud or irregularity or material defect in the internal audit control system;
- Infringement of applicable laws.

In case of the Board of Directors or the management does not take remedial action within the proposed timeframe of the Audit Committee, the Audit Committee will disclose the infringement in its annual report and notify the relevant regulator.

12. As a channel for reporting of unusual activities considered fraudulent unethical, or violative of laws or business policies, it is important to ensure accurate and effective communication.

13. Conduct the businesses as assigned by the Board of Directors in accordance with agreement established with the Audit Committee.

Nomination and Compensation Committee

As of December 31, 2022, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons. The Committee convened nine meetings throughout the year 2022 as follows:

Name	Position	Number of attendance / Number of total meetings
1. Mr. Sathit Aungmanee ^{/1}	Chairman (Non-Executive Director)	9/9
2. Mr. BaDung Le	Member (Non-Executive Director)	9/9
3. Mr. Kanich Punyashthiti	Member (Independent Director)	9/9
4. Ms. Penchun Jarikasem ^{/2}	Member (Independent Director)	6/6
Director who resigned or retired during the year		
1. Prof. Dr. Pranee Tinakorn ^{/3}	Chairperson	2/2

Remark ^{/1} Mr. Sathit Aungmanee was appointed as Chairman of Nomination and Compensation Committee effective April 26, 2022.

^{/2} Ms. Penchun Jarikasem was appointed as member of Nomination and Compensation Committee effective April 26, 2022.

^{/3} Prof. Dr. Pranee Tinakorn terminated her position as Chairperson of Nomination and Compensation Committee effective April 25, 2022.

The Nomination and Compensation Committee had at least four meetings per year and reviewed performance on a regular basis in accordance with the Nomination and Compensation Committee Charter. The Nomination and Compensation Committee convened nine meetings throughout the Year 2022 and reported to the Board of Directors. Report of the Nomination and Compensation Committee in 2022 are shown in this 56-1 One Report.

Authority and Responsibilities of Nomination and Compensation Committee

Nomination

1. Formulate policy, criteria, and method for nominating candidates for directors and Top Management of the Company and its subsidiary companies in TISCO Group to the Board for consideration and submit the policy to regulatory parties upon request.

2. Select and nominate names of qualified candidates to the Board of Directors of the Company and its subsidiary companies, which are directly supervised by financial and capital market regulators (TISCO Bank, TISCO Securities and TISCO Asset Management), for the following positions;

- Directors
- Members of committees whose functions, responsibilities and authorities are directly given by the Board of Directors
- Top Management
- Advisor(s) to the Board of Directors and/or committees whose functions, responsibilities and authorities are directly given by the Board of Directors

3. Ensure that size and composition of the Board of Directors of the companies in TISCO Group is appropriate for the organization and the business environment. The Board should comprise members who have diversified expertise and experience.

4. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee, the Corporate Governance Committee, and the Risk Oversight Committee and propose result to the Board of Directors for approval.

5. Ensure that the meeting(s) between the Board and members of Management Committee in absence of the Group CEO is arranged at least once a year prior to his/her annual performance assessment.

6. Ensure that succession plan for Group CEO and members of Management Committee of the companies in TISCO Group is properly developed to allow smooth and continuity of business operations, and that such plan is reviewed periodically.

7. Disclose the nomination policy and process in the Annual Report.

Compensation

8. Review and establish clear and transparent remuneration and benefit policy and criteria for the directors, committee members, Advisor(s) and TISCO Group's employees as proposed by the management.

9. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.

10. Devise performance assessment criteria for board members and TISCO Group's employees for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.

11. Review and approve promotion, remuneration, and benefit of Group CEO.

12. Review and consider the Group CEO's proposal for appointment, performance evaluation, promotion, remuneration, and benefit of each member of Management Committee and one further level down.

13. Review and consider the management's proposals for the total amount of annual performance-oriented, short-term and long-term incentives as well as merit increase for TISCO Group's employee.

14. Disclose the remuneration policy, actual payment in various forms for directors as well as prepare and disclose the Committee's report that at least covers the objectives, activities and opinion of the Committee in the Annual Report.

Other

15. Ensure that new director receives adequate information concerning the scope of authority and roles and responsibilities of committees and encourages new director to attend seminars, training, company visits, etc. to enhance knowledge, understanding, perspective, and the necessary skills.

16. Ensure that the training and professional development programs for Directors and Management are assorted properly.

17. Report activities to the Board of Directors on a regular basis.

18. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

Corporate Governance Committee

As of December 31, 2022, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons as follows:

Name	Position	Number of attendance / Number of total meetings
1. Assoc. Prof. Dr. Angkarat Priebjrivat ¹	Chairperson (Non-Executive Director)	4/4
2. Mr. Kanich Punyashthiti	Member (Independent Director)	4/4
3. Ms. Pongpen Ruengvirayudh ²	Member (Independent Director)	4/4
Director who resigned or retired during the year		
1. Prof. em. Dr. Teerana Bhongmakapat	Chairman	1/1
2. Dr. Kulpatra Sirodom	Member	1/1
3. Dr. Charatpong Chotigavanich	Member	1/1

Remark ¹ Assoc. Prof. Dr. Angkarat Priebjrivat was appointed as Chairperson of Corporate Governance Committee effective April 26, 2022.

² Mr. Kanich Punyashthiti Ms. Pongpen Ruengvirayudh was appointed as Member of Corporate Governance Committee effective April 26, 2022.

The Corporate Governance Committee had at least three meetings per year and reviewed performance on a regular basis in accordance with the Corporate Governance Committee Charter. The Corporate Governance Committee convened five meetings throughout the Year 2022 and reported to the Board of Directors. Report of the Corporate Governance Committee in 2022 are shown in this 56-1 One Report.

Authority and Responsibilities of Corporate Governance Committee:

1. Formulate and review the structure, scope, and policy of TISCO Corporate Governance and Code of Conduct for the Board of Directors' consideration and approval.
2. Give advice to the Board of Directors on the structure, roles and responsibilities, practice and charter of the Board of Directors and Board committees.
3. Review and oversee the corporate governance practice of the Board of Directors, Board committees, and the Management in compliance with Corporate Governance Policy, Code of Conduct and related laws and regulations including communication to directors, management, and employees.
4. Build and promote good corporate culture and ethics aligns with Governance, Risk, and Compliance (GRC) framework and guidelines.
5. Review result of corporate governance and sustainable development assessments by outside agencies and make recommendation to the Board of Directors.
6. Review corporate governance and sustainable development practices of TISCO by benchmarking to that of domestic and international standards and best practices for further improvement.
7. Work as a consulting body for the Board of Directors and the Management on matters regarding corporate governance and code of conduct.
8. Monitor the implementation of TISCO Corporate Governance Policy and Guidelines, TISCO Sustainable Development Policy, TISCO Code of Conducts, TISCO Whistleblowing Policy and report its findings to the Board.
9. Review Sustainable Development Policy, oversee work-plans and practices to ensure alignment with TISCO sustainable development policy, framework and strategy, and provide advice related to sustainable development issues.
10. Consider the self-authorized transaction on expenses and business leave as reported by the Chairperson of the Executive Board and the Group CEO on a monthly basis.
11. Monitor the adequacy of the company's disclosure practices relevance to sustainability development and corporate governance.
12. Perform other duties as assigned by the Board of Directors.

7.4 Management

The Company transferred certain senior management and management supervising major functions under subsidiary company. Simultaneously, the Company seconded those managements to the same subsidiary companies for the same responsibilities on full time basis. This is to ensure that they shall devote their time to effectively manage subsidiary companies under TISCO Group strategy and plan approved by the Board of Directors.

7.4.1 Name and Position of Management

As of January 1, 2023, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

Name	Position in the Company	Position assigned in subsidiary company
1. Mr. Sakchai Peechapat	Group Chief Executive	-
2. Mr. Metha Pingsuthiwong	Chief Operating Officer President	President, TISCO Bank Public Company Limited
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President	Senior Executive Vice President - Corporate Banking, TISCO Bank Public Company Limited
4. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President	Chief Executive Officer, TISCO Securities Company Limited
5. Mr. Chatri Chandrangam	Senior Executive Vice President - Risk & Financial Control	-
6. Mr. Yuttpong Sriwongjanya	First Executive Vice President	First Executive Vice President Retail Banking - Sales & Marketing 2, TISCO Bank Public Company Limited
7. Mr. Dejphinun Suthadsanasoung	First Executive Vice President	First Executive Vice President - Retail Banking Operations, TISCO Bank Public Company Limited
8. Mr. Rungroj Jarasvijitkul	First Executive Vice President	First Executive Vice President - Retail Banking - Sales & Marketing 1, TISCO Bank Public Company Limited
9. Mr. Picha Ratanatam	First Executive Vice President	First Executive Vice President - Wealth Management & Banking Services, TISCO Bank Public Company Limited
10. Ms. Pavinee Ongvasith	First Executive Vice President	Chief Executive Officer, TISCO Asset Management Company Limited
11. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office / Corporate Secretary	-
12. Ms. Wanthana Chotchaisathit	First Executive Vice President - Information Technology	-
13. Ms. Rachada Pruksanubal	First Executive Vice President	Executive Vice President - Banking Services, TISCO Bank Public Company Limited
14. Mr. Theeranat Rujimethapass	First Executive Vice President	President, TISCO Asset Management Company Limited

Authority and Responsibilities of Management Committee

1. To consider and formulate TISCO Group business strategy, financial goals, business plan including annual budget. The strategy, goals and plan must be balanced among short, medium and long term to maximize long term shareholders' value.
2. To review and ensure that TISCO Group's operations are in accordance with its strategies and business plan, the overall business and financial performance meet TISCO's corporate KPI and all are in compliance with Corporate Governance Policy and related regulations.
3. To discuss and make decisions on Group's business direction and policy, diversification of business platforms, synergy of cross-over businesses functions, efficiency and control issues among high-impact business and operations areas, group human resource management policies and capital expenditure policies.
4. To serve as a forum for heads of business and control functions to suggest lodge and discuss on certain conflict and disagreement arising from operations and/or management issues, which cannot be resolved within the organization's normal chain of command.

Authority and Responsibilities of the Group Chief Executive

1. Focus on strategy formulation, which is guided by the statement of vision and mission approved by the Board of Directors, by working in partnership with the Board of Directors in formulating such strategies and business plan including the level of risk appetite of TISCO Group.
2. Monitor the Company's overall performance with emphasis in long term value creation of the Company.
3. Be responsible to the Board for the business performance and its consistency with agreed business plans, corporate strategies and policies, and keep the Board updated on progress.
4. Lead, direct, and guide other Senior Management.
5. Oversee strategic alignment, governance and management structure, operations, risk management, and control systems, and ensure effective implementation of strategies and business plans as well as the sustainability issue across TISCO Group.
6. Facilitate TISCO's operating business units in developing their own future innovation and strategic plans, and ensure that they are properly evaluated and integrated into the overall corporate strategy.
7. Ensure that TISCO has the human capabilities and other resources required to achieve its plans, and that the management succession and management development plans are in place and presented to the Board on a pre-scheduled basis.
8. Ensure that business is conducted in accordance with TISCO Corporate Governance Policy and in compliance with related laws and regulations.
9. Develop and maintain an effective framework of internal controls and risk management in relation to all business activities.
10. Ensure the preparation of, under the oversight of the Audit Committee, financial statements that fairly present the financial condition and result of operations of TISCO; and make the timely disclosures that investors need to assess the financial and business soundness and risks of TISCO.
11. Ensure that TISCO has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements and TISCO Corporate Governance Policy.
12. Ensure that the flow of relevant information to the Board is adequate, accurate, timely, and keep the Chairman promptly informed of all matters which are deemed important to the Board or of which the Board should be aware.
13. Establish TISCO Risk Management Committee, TISCO Compliance & Operation Control Committee, TISCO IT Risk Committee, TISCO Human Resources Committee, and TISCO Management Committee, TISCO Technology and Infrastructure Committee and other committees, to carry out specific tasks.
14. Nominate members of TISCO Management Committee and management of one further level down for NCC approval.

15. Ensure that all committees appointed by the Executive Board and Group CEO are established, composed and operated; that the committees' decisions are made on a sound and well-informed basis; and that dissenting views can be expressed, discussed and recorded within the decision-making process.

16. Interface with the Board, employees, stakeholders, and communicate with public community.

The appointment of the TISCO Group Chief Executive Officer must be approved by the Bank of Thailand every time, or every four (4) years from the date of appointment, whichever comes first.

Authority and Responsibilities of Chief Operating Officer

1. Provide overall management for day-to-day operations in TISCO utilizing limited resources to the most productive uses.
2. Assist the Group CEO in developing and cascading organization's strategy/ mission to the lower ranking staff.
3. Make plan by prioritizing customer, employee and company's requirement.
4. Work in partnership with the Group CEO and the management in attaining the highest standard of employee's quality and compliance to TISCO Corporate Governance Policy and Code of Conduct.

As of January 1, 2023, the Company has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Sakchai Peechapat	Group Chief Executive
2. Mr. Metha Pingsuthiwong	President and Chief Operating Officer
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President
4. Mr. Chatri Chandrangam	Senior Executive Vice President - Risk and Financial Control
5. Mr. Paiboon Nalinthrangkum	Senior Executive Vice President
6. Mr. Yuttpong Sriwongjanya	First Executive Vice President
7. Mr. Dejphinun Suthadsanasoung	First Executive Vice President
8. Mr. Rungroj Jarasvijitkul	First Executive Vice President
9. Mr. Picha Ratanatam	First Executive Vice President
10. Ms. Pavinee Ongvasith	First Executive Vice President
11. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office
12. Ms. Wanthana Chotchaisathit	First Executive Vice President - Information Technology
13. Ms. Rachada Pruksanubal	First Executive Vice President
14. Mr. Theeranat Rujimethapass	First Executive Vice President
Risk and Financial Control	
15. Mr. Kontee Sunthornpradit	Financial Controller / Acting Head of Corporate Communication
16. Ms. Chutintorn Vigasi	Head of Corporate Accounting
17. Mr. Piram Sooklerk	Head of Planning & Budgeting
18. Mr. Nipon Wongchotiwat	Head of Enterprise Risk & Credit Control
19. Mr. Puvarin Kullaphatkanon	Head of Enterprise Risk Management
20. Ms. Surang Techarungnirun	Head of Credit Control
21. Mr. Kittipoap Watcharavasuntr	Head of Risk and Business Analytics
22. Mr. Pichit Treethephasumphan	Head of Appraisal and Valuation
Governance Office	
23. Ms. Sakornrat Manuwong	Head of Corporate Compliance and Acting head of Compliance - Securities Business
24. Ms. Maneerat Wattanajak	Head of Compliance - Banking Business
25. Ms. Yaninee Papnum	Head of Compliance - Asset Management Business

Name	Position
26. Mr. Prayuk Charoencharaskul	Head of Operational Risk Management
27. Ms. Nudtinee Suwanpanitch	Head of Legal Office
28. Ms. Jiraporn Sawsukpaiboon	Head of Credit Review
29. Mr. Ekarat Pongkitvanitchkul	Head of IT Risk Management
Internal Audit	
30. Ms. Chuenchit Trakarnratti	Head of Internal Audit
Economic Strategy Unit	
31. Mr. Komsorn Prakobphol	Head of Economic Strategy Unit
Information Technology	
32. Ms. Aree Archamongkol	Head of Corporate Services & Procurement
Digital Banking & Business Innovation	
33. Mr. Tula Rodsalub	Head of Digital Banking & Business Innovation
Strategic Project & Executive Office	
34. Mr. Pongsupat Supasirisin	Head of Strategic Project & Executive Office
Treasury & Investment	
35. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Data Management & Analytics	
36. Ms. Supissara Srikwanthong	Head of Data Management & Analytics
Human Resources	
37. Mr. Watsakorn Thepthim	Head of Human Resources
38. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
39. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

Management of TISCO Bank, the Core Company

As of January 1, 2023, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Metha Pingsuthiwong	President
2. Mr. Pitada Vatcharasiritham	Senior Executive Vice President - Corporate Banking
3. Mr. Picha Ratanatam	First Executive Vice President – Wealth Management & Banking Services
4. Mr. Yuttpong Sriwongjanya	First Executive Vice President - Retail Banking - Sales & Marketing 2
5. Mr. Dejphinun Suthadsanasoung	First Executive Vice President - Retail Banking - Operations
6. Mr. Rungroj Jarasvijitkul	First Executive Vice President - Retail Banking - Sales & Marketing 1
7. Ms. Rachada Pruksanubal	First Executive Vice President - Banking Services / Acting Head of Treasury
Corporate Banking	
8. Mr. Manop Petdamrongsakul	Head of Corporate Finance
9. Ms. Suneerong Tongsombutpanich	Head of Business and Risk Assessment
10. Mrs. Malatip Swintara	Co-Head of Business and Risk Assessment
11. Ms. Rapeeporn Ounchalanon	Head of Loan Administration
12. Mrs. Savika Jongpakpaisal	Head of Loan Documentation
Retail Banking – Sales & Marketing 1	
13. Mr. Wittya Mettaviharee	Deputy Head of Retail Banking – Sales & Marketing 1
14. Mr. Sommai Sae Ung	Head of SME & Mortgage Loan

Name	Position
15. Mr. Noppadol Chumwong	Head of Hire Purchase
16. Ms. Parichat Suthatsanasuang	Head of Hire Purchase - Captive
17. Mr. Aekkarin Thitipanyadilok	Deputy Head of Branch Channel 1
18. Mr. Somboon Siriruck	Head of Branch Channel 2
19. Mr. Sukit Yontojakwithee	Head of Branch Channel 3
20. Mr. Phongsophon Wongthongkam	Head of SME
21. Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Retail Banking – Sales & Marketing 2	
22. Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
23. Mr. Saisit Srihatrai	Assistant Head of Strategy & Product Development
24. MS. Yuwasri Mekwichai	Head of Retail Marketing & Business Development
25. Mrs. Wantana Kitchpanich	Head of Branch Operations Support
Retail Banking - Operations	
26. Ms. Penthip Laobooncharoen	Head of Retail & SME Credit
27. Mr. Sukit Sakulwongyai	Head of Retail Collection
28. Mr. Worapoth Tirakaron	Head of Retail Service & Support
29. Mr. Taworn Suphadechochai	Head of Retail Follow-up & Legal
30. Mr. Nattanan Ananpreeyavit	Head of Contact Center
31. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
32. Mr. Teerayuth Praserttrattanadacho	Head of Joint Venture Business
Wealth Management	
33. Ms. Pitchapa Wongsarasak	Head of Wealth Product
34. Mr. Satit Pawahan	Head of Private Banking
35. Ms. Saranya Weeramahawong	Head of Personal Banking 1
36. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
37. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
38. Mr. Nattakrit Laotaweessap	Head of Wealth Advisory
Banking Services	
39. Ms. Lapanant Tanwanna	Head of Custodian Service
40. Mrs. Suwande Khaolaorr	Head of Cash Management
41. Mr. Kittichai Tonnajarn	Head of Counter Services
42. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
43. Ms. Mayura Sanguansaksri	Head of Logistic & Control
44. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
45. Mrs. Kusumar Pratomsrimek	Head of Bancassurance
Marketplace & Digital Deposits	
46. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits

As TISCO Corporate Governance Policy, all support and control functions will be centralized at the parent company. These centralized operations cover the areas of risk oversight. The parent company applied across all subsidiary companies including TISCO Bank. Therefore, all heads of risk oversight functions are management of TISCO Financial Group Public Company Limited, e.g., head of risk management function, compliance function, and internal audit function.

7.4.2 Director and Management Remuneration Policy

The remuneration of directors, proposed by the Nomination and Compensation Committee, shall be approved by the ordinary shareholders' meeting. The scale and components of remuneration for directors and management have been set subject to the principle that such remuneration should be appealing enough to attract and retain quality directors but avoid excessive pay. Remuneration for directors should be comparable to the general practice in the industry with regard to work experience and commitment, as well as the benefits each director brings. In addition, the remuneration shall be reviewed in comparison to comparable listed companies with a similar size of business and the listed company average.

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Executive and Management (collectively called "Management") shall be linked to short- and long-term performance of TISCO Group, consist of financial performance and non-financial performance i.e., customers, customer satisfaction, development of operational process and risk management, and human capital development including employee engagement survey, which reflects good practice and being a sustainable bank under transparent regulations and scopes of responsibility. The Nomination and Compensation Committee is responsible for considering the remuneration of the CEO and Managements to reflect his performance management in both financial KPI and non-financial KPI. The KPIs set are in alignment with the Company's vision, mission, and short- and long-term goals as well as the ability to compete with other organizations in the standards of leading group companies in Thailand. The remuneration should be determined in accordance with Director and Management Remuneration Policy approved by the Nomination and Compensation Committee with an endorsement from the Board of Directors.

To avoid conflict of interest and enhance transparency, remuneration shall always be approved from the higher level of command.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2022, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors of each subsidiary company, under the authority delegated by its shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

7.4.3 Director and Management Remuneration

Financial Remuneration

In 2022, total remuneration for four executive directors was Baht 3,780,000, which was paid in the form of monthly compensation and meeting fees. Additionally, the senior management and management, totaling 39 people, received Baht 415,287,627 which was paid in the form of monthly compensation, meeting fees, a provident fund, and bonuses, which varied according to TISCO Group's performance. Therefore, the total remuneration was Baht 419,067,627.

Regarding the remuneration for the management of TISCO Bank, the core company of TISCO Group, totaling 38 people, it was Baht 194,151,884 (excluding the Management who are in the Parent Company and seconded to manage TISCO Bank), in the form of monthly compensation, salaries, provident funds, and bonuses, which varied according to TISCO Group's and each business line's performance.

Other Remuneration

In 2022, senior managements and managements of the Company, totaling 39 persons, received the Company's contributions to their provident funds, totaling Baht 23,449,081, while managements of the Bank, totaling 38 persons,

received the Bank's contributions to their provident funds, totaling Baht 13,365,596. In addition, the managements received benefits and other welfares under the Company's regulations, similar to other employees, such as healthcare and medical checkup expenses, and loan welfares.

7.5 Details of Employees

Human Resources

As of December 31, 2022, the total number of employees at TISCO Group was 5,075 (excluding senior management), increased by 212 staffs (4.36% YoY), of which 4,540 were permanent employees and 535 contract staff as the following details:

	December 31, 2021 (staff)	December 31, 2022 (staff)
1. Retail Banking	3,150	3,356
2. Corporate Banking	44	45
3. Wealth & Asset Management	996	977
4. Corporate Affairs & CSR	673	697
Total	4,863	5,075

Employee Expenses

In 2022, the Company's employee expenses in the form of salaries, wages, bonuses, cost of living, and provident fund contributions were Baht 3,422,247,682

TISCO Group Registered Provident Fund

TISCO Group established a Provident Fund in accordance with Ministerial Regulation 162 (B.E. 2526). The fund, called the "TISCO Group Registered Provident Fund", as per Ministerial Regulation 162 (B.E. 2526), has been registered in compliance with the Provident Fund Act B.E. 2530 since June 21, 1990. Rules and regulations of the fund, including the rights of members for the entire duration of their membership to the fund, have been set up to comply with Provident Fund Act B.E. 2530. The purpose of the fund is to encourage long-term savings among employees for their retirement or in the event of their leaving TISCO Group.

Members shall remit contributions to the fund by granting the employer permission to make deductions from their monthly salary. Members have two alternatives; to remit contributions at 5% or 10% or 15% of monthly salary, or at the same rate as the employer's contribution, which can be changed once a year. Employer is obligated to contribute to the fund on the same day as the employee, and the percentage of the employer's contribution depends on the employee's years of service. The fund committee comprised of the employee's elected representatives and the employer's appointed representatives. Terms for fund committee members are valid for two years, and any individual can be re-elected or re-appointed. The fund committee is responsible for the supervision of fund management and investment policy.

In 2022, employees' contribution to TISCO Group Registered Provident Fund reached Baht 51,417,680 and TISCO Group's contributions to TISCO Group Registered Provident Fund reached Baht 51,454,399 TISCO Group Registered Provident Fund total Baht 102,872,079

People Development

TISCO Group recognizes the importance of developing the skills of employees at all levels, which is a critical factor in enabling the organization to effectively tackle current challenges. Since 2021, the TISCO Group has placed a strong emphasis on preparing its employees to adapt to changes by continuously developing their digital knowledge and skills. In 2022, TISCO was able to develop a group of 202 technology-skilled employees (Super Users) from 57 units to be able to use Power Tools skills and tools to solve problems and improve their own work and the work of their

units. They were also able to provide consultations to their own teams, resulting in a total of 769 flows being able to be improved by Power Tools, reducing the time by 62,247 hours.

In 2022, TISCO focused on improving and streamlining work processes by giving priority to increasing organizational efficiency (Lean) to reduce time, eliminate non-value-adding or complicated steps in work, and deliver value to customers quickly through knowledge-sharing projects to enhance work process performance. TISCO has communicated to each unit to send representatives to the Lean Office training course. The aim is for the trained employees to apply Lean principles to identify and eliminate waste in their own work processes and improve them to deliver valuable products or services to customers. TISCO Group has developed a total of 138 Lean Leaders who will cover all departments within the group by 2023.

In addition, TISCO Group continues to place importance on the development and implementation of training programs to address the challenges and strategies of the organization. This is to enhance knowledge and technology in line with the requirements of each position and prepare for future business. This includes the technique of effective communication for compliance, time management skills, and motivation in the workplace for employees. Training also includes leadership, financial planning, and various license courses. TISCO focuses on providing essential knowledge to employees in their job responsibilities, especially in professional training standards. This is necessary for obtaining certification and complying with regulatory requirements, enabling company employees to consistently offer financial guidance to clients.

Leadership Development Program

The aim is to enhance the understanding and role of leadership for all levels of management through learning, grasping principles, and adaptability, allowing for new and efficient ways of working to keep up with changes and meet goals effectively.

The courses for senior and middle management are Digital Entrepreneurship in ASIAN, Artificial Intelligence and Machine Learning, Future of Digital Infrastructure, and Cyber Security Issues and Defenses for the Financial Sector. The courses for senior and middle management are the TISCO Leadership Program, and the Talent Group is the Executive Trainee Development Program.

Besides the knowledge that needs to be developed to keep up with the times, various learning formats such as e-Learning through Skill's More, TISCOSPACE, Virtual Classroom, or Hybrid training within the organization, support for learning through platforms from external institutions, and reviewing and improving various main course programs in appropriate channels and formats, both compulsory within the organization, align and cover to comply with laws, regulations, rules, and respond to the policies and strategies of the unit and organization.

Compulsory part is divided into 4 categories of knowledge, namely:

1. The company provides knowledge related to organizational culture, rules, regulations, ethics, and benefits, including an onboarding and pre-orientation program consisting of virtual and in-person training during the COVID-relaxation period, allowing for training to cover all new employees.

2. The company provides the safety and health training for general and new employees in Virtual Classroom format in 2022. It is estimated that 258 employees will receive the training, which is 91.24% of the total employee level. In addition, the Safety Officer Supervisory Level Training Program is adjusted according to the law. As a result, training has been organized in total, representing 95 percent of all supervisors.

3. The company provides knowledge and Compulsory Test on Data Classification, Phishing Awareness, Anti-Fraud and Counter-Corruption, Risk Management, Sustainable Banking, and Marketing Conduct through e-Learning to all employees.

4. The company provides personal finance knowledge, including debt management, basic investment planning, tax planning, to help employees understand financial matters and develop skills in financial management, ultimately to improve their quality of life and financial stability through e-Learning to all employees.

Average Hours of Training

Employee Training information	2020	2021	2022
Average hours of training (hours / person / year)	24.55	21.77	19.47
Men	23.30	20.97	18.85
Women	25.24	22.02	19.79
Executive Level ⁽¹⁾	27.51	25.59	25.42
Non-Executive Level ⁽²⁾	24.48	21.56	19.33
Retail Client	25.79	22.91	16.93
Corporate Client	14.63	21.79	11.56
Wealth and Fund Management Client	26.46	18.81	27.49
Organization Support	16.87	16.35	20.93

Remark ⁽¹⁾ Executive Level is supervisor level to executive level.

⁽²⁾ Non-Executive Level is the level of employees that below supervisor level.

7.6 Other important information

7.6.1 Corporate Secretary, Chief Financial Officer, Accountant, Head of Internal Audit and Head of Corporate Compliance

Corporate Secretary

The Board of Directors resolved to appoint Mr. Pairat Srivilairit, First Executive Vice President - Governance Office, as Corporate Secretary, effective from September 1, 2013, to be responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management's report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board. Profiles and qualification of the Corporate Secretary are disclosed in Attachment 1.

In 2022, the Corporate Secretary attended Cyber Armor Seminar: Capital Market Board Awareness No.2, Data-driven Cybersecurity and Intelligence Threats Assessment organize by Thai Private Sector Collective Action Against Corruption (CAC) and attend internal training, details are in the *attachment 1*

Chief Financial Officer, Accountant, Head of Internal Audit and Head of Corporate Compliance

The Company assigned

- Mr. Chatri Chandrangam, Senior Executive Vice President - Risk & Financial Control, as Chief Financial Officer
- Ms. Chutintorn Vigasi, as Accountant
- Mr. Pairat Srivilairit First Executive Vice President - Governance Office as Head of Corporate Governance
- Ms. Chuenchit Trakarnratti, as Head of Internal Audit
- Ms. Sakornrat Manuwong, as Head of Corporate Compliance

Profiles and qualification of the Chief Financial Officer and the Accountant are disclosed in Attachment 1, and profiles and qualification of Head of Internal Audit and Head of Corporate Compliance are disclosed in Attachment 3.

7.6.2 Head of Investor Relations

The Company has assigned Mr. Ake Krairiksh, Head of Planning and Investor Relations, to be responsible for communicating and disclosing important company information to all stakeholders. You can contact the Investor Relations Unit at:

TISCO Financial Group Public Company Limited

TISCO Tower, 7th Floor, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok, 10500

Tel: +66 2633 6868

Website: www.tisco.co.th

Email: ir@tisco.co.th

7.6.3 Appointment of External Auditor and Consideration of Audit Fees

The Audit Committee considered the qualifications and performance of external auditors for recommendation to the Board of Directors for their annual appointment, and the proposed audit fees for further consideration and approval by the General Meeting of Shareholders. The name list of external auditors to be proposed as the Company's auditor must also be approved by the Bank of Thailand.

In 2022, the remuneration for external auditors included:

1. Audit Fee

Audit fee paid to EY Office Limited for the Company and its subsidiaries for 2022 amounted to Baht 10,930,000 increased 2.8% or Baht 300,000 year on year.

2. Non-audit Fee

In 2022, no non-audit fee was paid other than the audit fee.

8. Report on Important Operational Results of Corporate Governance

8.1 Summary of Board of Directors' Performance in Past Year

In the Board of Directors Meeting No. 6/2022 held on October 26, 2022, the Board of Directors had reviewed Vision and Core Values to ensure that all matters are up-to-date and comply with the long-term business directions, approved strategic directions and policy of TISCO Group, reviewed annual business plan and budget, and reviewed the adequacy of internal control system and appropriate risk management framework. The Board of Directors also supervised, reviewed, and monitored management to ensure that actions were carried out in accordance with the designated policies, corporate strategy, and business plans, as well as the rules and regulatory requirements of related government agencies. The management were assigned to report the operational results to the Executive Board on a monthly basis and the Board of Directors meetings every two months.

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

The Board of Directors is appointed by the shareholders to take overall responsibility for TISCO. These responsibilities include directing, approving, and overseeing the implementation of Group strategy, corporate governance and corporate values. The Board is responsible for selection of a qualified Group CEO and key senior management, including oversight of the succession plan. It is also responsible for oversight of the Group CEO and senior management and bears ultimate responsibility for TISCO's business, risk strategy, and financial soundness as well as how TISCO organizes and governs itself.

Given the above responsibilities, TISCO has a policy to select a Board that possesses, both as individual board members and collectively, appropriate and diverse experience, relevant competencies and personal qualities, including professionalism, personal integrity, ability to make independent and analytical inquiries, and a sufficient understanding of the business.

Structure, director composition and nomination practices, and independent directors, executive directors, and directors nominated by major shareholders have been thoroughly examined in order to ensure the appropriateness of the Board's composition.

The Board of Directors select Board members based on, among other things, knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, understanding of TISCO Group's business environment, and alignment with TISCO Group's strategy. TISCO has clearly established a proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors, non-executive directors, directors who are part of management, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. In addition, term of office for TISCO's directors is one year as specified in the Articles of Association, whereby the whole Board of Directors shall be simultaneously elected at the annual general meeting each year. Note that the former Board of Directors shall remain in office to conduct the business of the Company as necessary until the new Board of Directors takes office, unless otherwise specified by the articles of association.

Recognizing the importance of their roles and to be in compliance with the Bank of Thailand regulations, directors, managers and persons with controlling power are allowed to assume the position of Chairman, executive director, or director with signatory authority in no more than three group of companies and are allowed to hold directorship or management roles or serve as an authorized person or advisor who possesses director duties within five locally and internationally listed companies, excluding listed companies from debt restructuring as well as not being an independent director for more than nine consecutive years. Directors and management should avoid other positions or jobs that may lead to conflicts of interest with the Company.

In achieving transparency and the proper balance of power, the Chairman of the Board shall be independent directors and/or non-executive directors. In addition, the Chairman of the Board shall not be a member in any other

committees. This is to ensure the independent views of the committees. The Chairperson of the Audit Committee must not be Chairman of the Board, Nomination and Compensation Committee and/or Risk Oversight Committee.

Moreover, the Board of Directors must clearly separate its roles and responsibilities from those of management to ensure a proper balance of power and avoid a situation whereby a single individual has absolute power in decision making. For example, the Chairman of the Board and top management shall not be the same person, and their roles and responsibilities must be clearly separated.

To achieve high standards of performance, the Board delegates other committees to take on tasks that require in-depth consideration, such as the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee, and the Corporate Governance Committee. Each committee will have a proper structure as well as guidelines for composition and selection criteria. They also have their own written charter that sets out mandates, operating policies and guidelines.

TISCO assigns the Corporate Secretary to be responsible for taking care of the Board's activities, monitoring compliance with the Board's resolutions, handling Board Meetings and shareholder meetings on matters concerning notice, meeting minutes, and other duties as required by the related laws and regulations of the governing authorities.

1. Directors and Management Selection

The Nomination and Compensation Committee shall, upon considering the Group's needs and good corporate governance, identify and propose qualified nominees with knowledge, expertise, and experience in accordance with TISCO Group's strategy, and sufficient understanding of banking and finance, including securities, economics, law, information technology or any other fields deemed appropriate to the Board's structure so as to ensure a variety of opinions in the Board. This includes diverse board composition in terms of age, sex, knowledge, expertise, experience, and other key qualifications in order to generate a healthy range of opinions and judgments on business matters.

Number of Independent Non-executives Directors is set to be more than Executive Directors while the number of directors nominated by each major shareholder shall be in accordance with the shareholding proportion for the appropriate balance of power and authority. Additionally, the Board's composition must be diverse in terms of age, gender, skills, knowledge, abilities, experience, and independence (Board Composition). To be able to solicit and express diverse perspectives in order to make business decisions for the company. By considering the table of expertise in specific fields (Board Skill Matrix). If you are an independent director, you must meet the Company's requirements and regulatory requirements.

The Nomination and Compensation Committee shall nominate persons to the position of director, based on the proposed nomination of qualified candidates by shareholders or selection from the director pool database. The Nomination and Compensation Committee shall consider recommendations from minority shareholders on the nomination of directors or independent directors, in accordance with the Company's criteria. All candidates must be approved by the Bank of Thailand.

The Nomination and Compensation Committee shall recommend the Board consider the appointment of new directors and/or independent directors for replacement of any vacancies, other than those incurred by rotation, and propose to shareholders the election of directors to replace those who retire by rotation or appointment of additional directors and/or independent directors. The election, appointment, and removal criteria are as follows:

1) Shareholders shall, from time to time, by resolution of a general meeting of shareholders, determine the number of directors, which shall not be less than five, provided that not less than half of the directors are domiciled in Thailand. In addition, the number of directors who are persons of Thai Nationality shall be in compliance with related laws.

2) The general meeting of shareholders shall elect directors in accordance with the following criteria and procedures:

- (1) Each shareholder shall have a number of votes equal to the number of shares multiplied by the number of directors to be elected.
- (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person, at any number.
- (3) The candidates shall be ranked in descending order from the highest number of votes received to the lowest and shall be elected as directors in that order until all of the director positions are filled. In case the number of votes for candidates would result in a tie or cause the number of directors to exceed the limit, the remaining elections shall be made by drawing lots.

3) At the general meeting of shareholders of each calendar year, the whole Board of Directors shall be simultaneously elected. However, the former Board of Directors shall remain in office to conduct the business of the company, as necessary, until the new Board takes office. Retired directors are eligible for re-election.

4) A director can be elected or removed only by the shareholders at a general meeting. A Board vacancy occurring for any reason other than rotation or retirement may be filled by the remaining directors, unless the term of the original director is less than two months. For the purposes thereof, the resolution of the appointment of new directors shall be valid with a vote of not less than three-fourths of the number of remaining directors. However, any person so appointed shall hold office only for the remainder of the term of the director to whom he has succeeded. Likewise, if a general meeting of the shareholders removes a director, and appoints another person in his place, the person so appointed shall hold office only for the remainder of the term of the director so removed.

5) A general meeting of shareholders may resolve to remove a director before expiration of office with a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. Such a motion must also represent an agreed number of shares equal to or not less than half of the total shares held by the shareholders who attend the meeting and have the right to vote.

For the nomination of Group Chief Executive and Senior Managements, the Nomination and Compensation Committee shall consider and select potential candidates, who have appropriate abilities and qualifications. The prerequisites for selection should generally include consideration of the candidates' character, technical competence, and employment experience in the financial services field. Successful candidates should share the board's operating philosophy and vision of the Company's future in order to ensure that the institution's goals are met. It is important that mutual trust and a close working relationship are established. The Nomination and Compensation Committee shall recommend qualified candidates to the Board of Directors for approval. For other senior executive positions, the Group Chief Executive shall identify and propose qualified candidates for the Nomination and Compensation Committee's approval.

For the effectiveness of the director screening and nomination, the Nomination and Compensation Committee regularly reviews and updates the board skill matrix, according to the best practices.

Qualifications of Independent Director

A person to be nominated or appointed as an independent director must comply with the announcement of the Bank of Thailand, the Capital Market Supervisory Board, the Securities and Exchange Commission, the Stock Exchange of Thailand, including qualifications according to the requirements as defined in the policy and guidelines of TISCO's Corporate Governance, all of which are summarized below.

1. holding shares not exceeding 0.50 per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. neither being nor having been a non-independent Director of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have conflict of interest, or has left from such status but for less than two years.
3. neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years.

4. not being a person related by blood or registration under laws, (such as father, mother, spouse, sibling, and child, including spouse of the children) of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.

5. not having a business relationship as specified by the Capital Market Supervisory Board with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years.

6. neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years.

7. neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years.

8. not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.

9. not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary companies or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary companies.

10. not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

11. not being an independent director for more than nine consecutive years.

In 2022, no independent director has had a business relationship with, or has acted as a professional adviser for the Company, a subsidiary company, an associated company, a major shareholder, or a controlling person.

Appointment and Removal of Directors

At the Annual General Meeting of Shareholders for the year 2022, the Board of Directors, after considering the Nomination and Compensation Committee's recommendation on the qualifications of the candidates in accordance with TISCO's Guidelines for Board Composition and Selection Criteria, propose to the shareholders to approve the number of directors at 13 (thirteen), as well as deeming it appropriate to propose to re-elect nine existing directors, namely Mr. Pliu Mangkornkanok, Mr. Dung Ba Le, Assoc. Prof. Dr. Angkarat Priebjrivat, Mr. Sathit Aungmanee, Dr. Kulpatra Sirodom, Mr. Kanich Punyashthiti, Mr. Chi-Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechatat to continue their office for another term. It is proposed that Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjrivat and Mr. Sathit Aungmanee to be non-executive directors since they have been in the position of Independent Director for nine consecutive years, so as to comply with the Bank of Thailand Notification. As Prof. Dr. Pranee Tinakorn, Prof. Emeritus Dr. Teerana Bhongmakapat, Mr. Suthas Rungmanamongkol, and Dr. Charatpong Chotigavanich, they are due to retire by rotation, have expressed their intention not to be nominated for re-election as directors for another term. The Nomination and Compensation Committee therefore proposed to elect the following four new directors consisting of Mrs. Pongpen Ruengvirayudh, Ms. Penchun Jarikasem, Prof. Dr. Thanaruk Theeramunkong, and Mr. Metha Pingsuthiwon, considering their prominence in their knowledge, competency and experience that can give suggestion useful to the Company's business.

In addition, two new directors were appointed during 2022; Assoc. Prof. Dr. Sillapaporn Srijunpetch as appointed as an Independent Director and Member of the Audit Committee, effective June 30, 2022, by the Board of Directors Meeting No.3/2022 and Assoc. Prof. Dr. Vara Varavithya, who replaced Prof. Dr. Thanarak Thiramankong who resigned as an Independent Director on September 1, 2022, was appointed as an Independent Director and Member of the Risk Oversight Committee by the Board of Directors Meeting No.6/2022, effective December 9, 2022.

There were director orientations provided for the new directors, divided according to the responsibilities of each person. The Company Secretary was responsible for information such as Corporate Governance Policy, Roles and Responsibilities of the Board of Directors and Subcommittees, how to access meeting documents, key information for directors, etc. The Group Chief Executive and Senior Management of TISCO contributed information, including providing the opportunity for new directors to inquire about information and the guidelines for conducting business in various fields.

2. Board and Management Training

It is TISCO Group's policy to encourage regular training and educational activities for directors. The Company has arranged membership in the Thai Institute of Directors Association for all directors in order to help them stay abreast of news and updates as well as trainings beneficial to directorship in a listed company. Training schedules shall be regularly notified to the directors in advance.

When a new director is appointed to the Board, senior management will arrange for an orientation on TISCO Group's business operations and past performance to provide a clear understanding and enable the director to fully perform his/her duties. The Company shall also provide a copy of the Director's Manual and the Corporate Governance Policy to such directors.

Each director has already completed external programs related to the roles and responsibilities of directors. Seven out of thirteen (53.84 percent) of the members of the Board of Directors attended training programs and seminars to enhance knowledge and skills in 2022. Details are as follows:

Name of Director	Training Programs / Seminars	Organizer
1. Mr. Pliu Mangkornkanok	<ul style="list-style-type: none"> Cyber Resilience Leadership: SMART Goal 	Bank of Thailand (BOT) jointly with the Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC)
2. Assoc. Prof. Dr. Angkarat Priebjivat	<ul style="list-style-type: none"> Cyber Armor: Cyber Threat Lessons Learned for Board of Directors Cyber Resilience Leadership: SMART Goal 	The Securities and Exchange Commission (SEC) Bank of Thailand (BOT) jointly with the Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC)
3. Mr. Sathit Aungmanee	<ul style="list-style-type: none"> Board Nomination and Compensation Program 	Thai Institute of Directors
4. Ms. Pongpen Ruengvirayudh	<ul style="list-style-type: none"> Cyber Resilience Leadership: SMART Goal Easy Listening: Accounting Knowledge that AC should not miss 2022 (online) Board Orientation 	Bank of Thailand (BOT) jointly with the Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC) The Securities and Exchange Commission (SEC) TISCO Financial Group Pcl.
5. Ms. Penchun Jarikasem	<ul style="list-style-type: none"> Board Orientation 	TISCO Financial Group Pcl.

Name of Director	Training Programs / Seminars	Organizer
6. Assoc. Prof. Dr. Sillapaporn Srijunpetch	<ul style="list-style-type: none"> Board Orientation 	TISCO Financial Group Pcl.
7. Assoc. Prof. Dr. Vara Varavithya	<ul style="list-style-type: none"> Cyber Resilience Leadership: SMART Goal Board Orientation 	Bank of Thailand (BOT) jointly with the Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC) TISCO Financial Group Pcl.

In addition, TISCO provides internal training to board members about “**The Impact of Climate Change on The Adjustment of Financial Institutions**”. The seminar was honored by guest speakers from Mr. Prasit Vaiyavatjamai, ERM-Siam Co., Ltd. The aim is to understand the impact and trend of climate change on the operation of financial institutions and businesses, as well as the means of adjustment and response.

During the Board of Directors Meetings, all directors have the opportunity to be informed and receive insightful presentations from various functions, broadening their perspectives on their responsibilities e.g., economic situations. Furthermore, board members and top management attended other training programs and seminars in 2022, as presented in Attachment 1.

3. Succession Planning

To ensure stability and continuity in TISCO Group business operations, successors are determined for all key positions. The Board of Directors assigns the Nomination and Compensation Committee to oversee preparation of a Top Management succession plan. Said plan shall be regularly reviewed as appropriate. For other senior management positions, Top Management and the Human Resources Function shall review and evaluate the successors for the Nomination and Compensation Committee’s approval by considering factors such as qualifications, knowledge, ability, experience, and evaluations of qualified management.

4. Board Performance Self-assessment

In order to improve its performance, the Board of Directors has formulated an annual self-assessment process to gauge Board performance and resolve any issues they may have as a whole and on an individual director level. The assessment is based on self-evaluation against a benchmark system set in advance. The Board of Directors assigns the Nomination and Compensation Committee to prepare and recommend Board Performance Self-Assessment Guidelines for the Board’s approval. The Nomination and Compensation Committee then reports the assessment result to the Board for approval.

Said assessment is essential to ensure the appropriateness of the Board’s composition and Board performance, in accordance with corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider application in accordance with the Company’s business environment and operations.

In 2022, TISCO applied the evaluation tool from the Thai Institute of Directors. The tool was adapted to suit the characteristics and structure of the board of directors and presented to the nomination and remuneration committee for consideration of compensation. The board of directors also reviewed the revised evaluation format, which was conducted through an online system.

In 2022, the Nomination and Compensation Committee divided the self-assessment into two forms: whole and individual self-assessment and a cross-assessment.

The Director’s Individual Cross-assessment randomly paired directors’ names for evaluation. The Corporate Secretary sent out the following assessments:

1. The Board of Director Performance Self-Assessment as a whole, namely, Board Structure and Qualifications, Board Roles, Duties and Responsibilities, Board Meetings, Board Performance, Relationship with

Management, and Director Development.

2. The Director's Individual Self-Assessment and Cross-Assessment as an individual, namely, Director Qualifications, Readiness, Meeting participation, Roles, Duties and Responsibilities of the Directors, and Relationship with Management.

The evaluation form has set the score level so that the committee can compare the evaluation results of each topic and the evaluation results of each year. The meaning of the rating is as follows.

- 0 = Unacceptable / No action
- 1 = Needs Improvement
- 2 = Meets Expectations
- 3 = Exceeds Expectations
- 4 = Outstanding

The Corporate Secretariat Office subsequently collected all assessments within the schedule for the evaluation.

The Nomination and Compensation Committee, as proposed by the Corporate Secretariat Office, reported the assessment results to the Board for acknowledgement, discussion, and recommendations for improved efficiency at the Board of Directors' Meeting No. 1/2023 held on February 21, 2023.

Results for 2022 indicated that Board Structure and Qualifications, Board Roles, Duties and Responsibilities, Board Meetings, Board Performance, Relationship with Management, and Director Development were up to best practice standards. As for efficiency, almost all board members were rated during three and four for effective ratings in all five areas of assessment. The average assessment rating overall was at 3.67 out of 4.00.

As for the Self-Assessment and Cross-Assessment, the evaluation of individual director and cross-assessment found that overall, the performance of all directors was assessed mostly at rating levels three and four from five rating levels. The average assessment rating overall was 3.71 out of 4.00. The Cross-Assessment was also at rating levels three and four from five rating levels, with the same scoring system. Furthermore, the Board members also provided feedback and suggestions to enhance the Board effectiveness.

In 2022, the Board of Directors also formulated performance self-assessments for all sub-committees, specifically the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee. The self-assessments are conducted annually, and the results were presented at the Board of Directors' Meeting No. 1/2023 held on February 21, 2023. In addition, the 2022 performance self-assessments of each committee were disclosed as part of the sub-committees' reports in the Annual Registration Statements and Annual Report (Form 56-1 One Report).

Recognizing the importance of transparency in determination of a director's independence and to provide greater clarity for the benefit of shareholders and stakeholders, the Board reviewed and approved **the Policy on Assessing the Independence of Directors** on August 22, 2022, in order to make determinations for newly appointed independent director or when any new, or change in, interests or relationships, which may affect independence, are disclosed by a Director. Each Independent Director was evaluated by every director. Assessments were kept and compiled secretly by the Company Secretary to prevent conflicts of interest and were proposed to and considered by the Nomination and Compensation Committee.

Group Chief Executive Performance Assessment

The Board of Directors assigns the Nomination and Compensation Committee to prepare and recommend the Group Chief Executive Performance Assessment Guidelines for the Board's approval. The Nomination and Compensation Committee shall arrange the meeting(s) between the Board and management in absence of Top Management at least once a year prior to his/her annual performance assessment. The Nomination and Compensation Committee then reports the assessment result to the Board Meeting. The assessment shall be divided into two parts: Financial KPI and Non-Financial

KPI. The KPIs set are in alignment with the Company Vision, Mission, and short-term, mid-term, and long-term goals of the Company with consideration for the business situation and environment.

To ensure the effectiveness of the assessment, the Nomination and Compensation Committee will arrange meeting(s) between the Board and Management of TISCO Group, in absence of the Top Management, at least once a year prior to his/her annual performance assessment. In addition, the performance assessment of TISCO Group's Chief Executive will take into consideration the assessment result from the Chairperson of each sub-committee, namely, the Executive Board, the Risk Oversight Committee, the Audit Committee, and the Corporate Governance Committee, together with the assessment from the Nomination and Compensation Committee. The assessment result will be reported at the Board of Directors Meeting.

8.1.2 Board of Directors Meetings and Remuneration to Directors

Board Meetings and Subcommittee Meetings are regularly scheduled in advance so that each member of the Board can manage their time to attend the meetings. Furthermore, in case of special agenda, additional meetings may be scheduled as necessary. The Board of Directors also assigns the Corporate Secretary or the Subcommittee Secretary to send out notice of the meeting together with documents relating to the meeting agenda, stating clearly which matters are to be acknowledged, approved, or considered, to every director at least 7 days prior to the date set for the meeting, and notify related committees and managements 14-21 days prior each meeting. In case of the most confidential document the Corporate Secretary may hand over the documents with header label 'CONFIDENTIAL' during the meeting then collect them back after the meeting adjourned.

The Board of Directors Meeting No. 6/2022 on October 26, 2022 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2023 in advance which does not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2023	Tuesday February 21	Monday January 30	Tuesday January 31	Friday January 13	Thursday January 12	Friday February 10
2/2023	Tuesday April 18	Tuesday February 21	Tuesday March 21	Thursday February 16	Monday February 13	Wednesday May 31
3/2023	Wednesday June 28	Thursday March 23	Tuesday May 23	Friday March 10	Monday April 17	Friday August 4
4/2023	Thursday June 29	Tuesday April 18	Tuesday July 25	Wednesday April 5	Tuesday June 13	Wednesday November 15
5/2023	Thursday August 24	Thursday May 25	Thursday September 21	Thursday May 11	Friday August 11	-
6/2023	Wednesday October 25	Wednesday June 28	Tuesday November 21	Friday June 9	Tuesday October 17	-
7/2023	Monday December 18	Thursday July 27	-	Friday July 14	Thursday December 14	-
8/2023	-	Thursday August 24	-	Wednesday August 1	-	-
9/2023	-	Thursday September 28	-	Friday September 8	-	-
10/2023	-	Tuesday October 24	-	Friday October 6	-	-
11/2023	-	Thursday November 23	-	Friday November 10	-	-
12/2023	-	Monday December 18	-	Friday December 8	-	-

The Board of Directors promotes transparent and independent consideration of each issue and allocates adequate time for the management to present issues, with adequate time set aside for directors to thoroughly discuss important matters. The Board encourages the management to attend the Board of Directors Meeting to present additional information relevant to their responsibilities.

The Board of Directors Meetings and the Executive Board meetings should be ensured that a number of Directors present at the meeting is not less than three-fourth and one-half of total Board members to constitute a quorum in accordance with Corporate Governance Policy, respectively. Before the meeting, the Chairman should inform that the director(s) (who is interested director in any agenda would not allow to vote and comment) may relate to interest in any agenda, would not allow to vote and comment. For all the Subcommittee Meetings comprising Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee also should be ensured that a number of Directors present at the meeting is not less than two-thirds of total Board members to constitute a quorum in accordance with Corporate Governance Policy. After the Board of Directors Meetings and the Subcommittee meetings, the Corporate Secretary and the Subcommittee Secretary are responsible for preparing minutes of the meeting in which all issues, contents, and opinions are properly recorded and kept for inspection.

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance. One non-executive directors meeting was held on June 28, 2022.

Details of Board of Directors meeting and subcommittee meeting attendance in 2022

Name of Director	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
<i>No. of total meetings (times) (percentages)</i>	7 (100.00)	12 (100.00)	7 (100.00)	12 (100.00)	9 (100.00)	5 (100.00)
1. Mr. Pliu Mangkomkanok	7/7 (100.00)	-	-	-	-	-
2. Mr. BaDung Le	7/7 (80.00)	-	-	-	9/9 (100.00)	-
3. Assoc. Prof. Dr. Angkarat Priebjivat ¹	7/7 (100.00)	-	7/7 (100.00)	4/4 (100.00)	-	4/4 (100.00)
4. Mr. Sathit Aungmanee	7/7 (100.00)	-	-	4/4 (100.00)	9/9 (100.00)	-
5. Mr. Kanich Punyashthiti ¹	7/7 (100.00)	-	-	-	9/9 (100.00)	4/4 (100.00)
6. Ms. Pongpen Ruengvirayudh	6/6 (100.00)	-	-	8/8 (100.00)	-	4/4 (100.00)
7. Ms. Penchun Jarikasem	6/6 (100.00)	-	-	8/8 (100.00)	7/7 (100.00)	-
8. Assoc. Prof. Dr. Sillapaporn Srijunpetch	3/3 (100.00)	-	-	6/6 (100.00)	-	-
9. Assoc. Prof. Dr. Vara Varavithya	1/1 (100.00)	-	0/0 (100.00)	-	-	-
10. Mr. Chi-Hao Sun (Howard Sun)	7/7 (100.00)	12/12 (100.00)	-	-	-	-
11. Mr. Satoshi Yoshitake	7/7 (100.00)	12/12 (100.00)	-	-	-	-
12. Mr. Sakchai Peechapat	7/7 (100.00)	12/12 (100.00)	7/7 (100.00)	-	-	-

Name of Director	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
13. Mr. Metha Pingsuthiwong [†]	6/6 (100.00)	9/9 (100.00)	-	-	-	-
<i>Directors who retired or resigned during the year</i>						
14. Mr. Suthas Suangmanamongkol	1/1 (100.00)	3/3 (100.00)	-	-	-	-
15. Prof. Dr. Pranee Tinakorn [†]	1/1 (100.00)	-	-	-	2/2 (100.00)	-
16. Prof. em. Dr. Teerana Bhongmakapat [†]	7/7 (100.00)	-	-	-	-	1/1 (100.00)
17. Dr. Kulpatra Sirodom [†]	2/2 (100.00)	-	-	5/5 (100.00)	-	1/1 (100.00)
18. Dr. Charatpong Chotigavanich	1/1 (100.00)	-	2/2 (100.00)	-	-	1/1 (100.00)
19. Prof. Dr. Thanaruk Theeramunkong	0/4 (0.00)	-	0/3 (0.00)	-	-	-

Remark [†] Details of director changes and subcommittees are shown in the appendix of the Corporate Governance Report.

Director Remuneration

TISCO Group has established a clear and transparent policy on remuneration for directors that is appropriately defined and in line with the responsibilities of the directors, who must perform their duties in accordance with the expectations of all groups of stakeholders. The Nomination and Compensation Committee made an annual review on the directors' remuneration to ensure that the remuneration is commensurate with their duties and responsibilities as well as consistent with the remuneration of directors in the commercial banking at the same level.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, TISCO Group only pays remuneration to subsidiary companies' directors who is not employee or any full-time position in TISCO Financial Group of companies, in the same form and amount of the Company's director, to be valid until amended. No meeting fee shall be paid to member of the Board and Sub-committee who is employee or holds any full-time position in TISCO Group of companies.

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2022 on April 25, 2022, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, to be valid until amended. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

(Unit: Baht)

	Monthly Fee	Meeting Fee
Board of Directors		
Chairman	240,000	60,000
Member	50,000	50,000
Advisor	50,000	50,000
Subcommittee[†]		
Chairman	-	60,000
Member	-	50,000

Remark [†] Subcommittees are, namely, Executive Board, Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, Corporate Governance Committee.

1. Monetary Remuneration

In 2022, total remuneration for the Board of Directors was Baht 20,266,666.66. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance. Total of Board of Directors' remuneration for the year 2022 presented below.

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkomkanok	2,880,000	420,000	-	-	-	-	-	3,300,000
2. Mr. BaDung Le	600,000	350,000	-	-	-	450,000	-	1,400,000
3. Assoc. Prof. Dr. Angkarat Priebjivat ¹	600,000	350,000	-	540,000	250,000	-	240,000	1,980,000
4. Mr. Sathit Anugmanee ²	600,000	350,000	-	-	250,000	510,000	-	1,710,000
5. Mr. Kanich Punyashthiti ³	600,000	350,000	-	-	-	450,000	200,000	1,600,000
6. Ms. Pongpen Ruengvirayudh ⁴	408,333.33	300,000	-	-	450,000	-	200,000	1,358,333.33
7. Ms. Penchun Jarikasem ⁵	408,333.33	300,000	-	-	520,000	300,000	-	1,528,333.33
8. Assoc. Prof. Dr. Sillapaporn Srijunpetch ⁶	300,000	200,000	-	-	350,000	-	-	850,000
9. Assoc. Prof. Dr. Vara Varavithya ⁷	38,333.33	50,000	-	-	-	-	-	88,333.33
10. Mr. Chi-Hao Sun (Howard Sun)	600,000	350,000	600,000	-	-	-	-	1,550,000
11. Mr. Satoshi Yoshitake	600,000	350,000	600,000	-	-	-	-	1,550,000
12. Mr. Sakchai Peechapat	600,000	-	-	-	-	-	-	600,000
13. Mr. Metha Pingsuthiwong ⁸	408,333.33	-	-	-	-	-	-	408,333.33
Directors resigned / Retirement during the year								
14. Mr. Suthas Ruangmanamongkol ⁹	191,666.67	50,000	180,000	-	-	-	-	421,666.67
15. Prof. Dr. Pranee Tinakorn ⁹	191,666.67	50,000	-	-	-	120,000	-	361,666.67
16. Prof. em. Dr. Teerana Bhongmakapat ⁹	191,666.67	50,000	-	-	-	-	60,000	301,666.67
17. Dr. Kulpatra Sirodom ¹⁰	250,000	100,000	-	-	360,000	150,000	50,000	910,000
18. Dr. Charatpong Chotigavanich ⁹	191,666.67	50,000	-	150,000	-	-	50,000	441,666.67
19. Prof. Dr. Thanaruk Theeramunkong ¹¹	208,333.33	-	-	-	-	-	-	208,333.33
Total	9,868,333.33	3,670,000	1,380,000	690,000	2,180,000	1,980,000	800,000	20,266,666.66

Remark ¹ Assoc. Prof. Dr. Angkarat Priebjivat was appointed as the Chairperson of Corporate Governance Committee and resigned the Member of Audit Committee on April 26, 2022.

² Mr. Sathit Anugmanee was appointed as the Chairman of Nomination and Compensation Committee and resigned the Member of Audit Committee on April 23, 2021.

³ Mr. Kanich Punyashthiti was appointed as the Member of Corporate Governance Committee on April 26, 2022.

⁴ Ms. Pongpen Ruengvirayudh was appointed as an Independent Director by the 2022 Annual General Meeting of Shareholders and was appointed as the Member of Audit Committee and Member of the Corporate Governance Committee on April 26, 2022.

⁵ Ms. Penchun Jarikasem was appointed as an Independent Director by the 2022 Annual General Meeting of Shareholders, was appointed as the Member of Corporate Governance Committee and Member of Nomination and Compensation Committee on April 26, 2022, and was appointed as the Chairperson of Audit Committee on June 27, 2022.

⁶ Assoc. Prof. Dr. Sillapaporn Srijunpetch was appointed as an Independent Director and the Member of Audit Committee, effective June 30, 2022.

⁷ Assoc. Prof. Dr. Vara Varavithya was appointed as an Independent Director and the Member of Risk Oversight Committee, effective December 19, 2022.

⁸ Mr. Metha Pingsuthiwong was appointed as an Executive Director by the 2022 Annual General Meeting of Shareholders and was appointed as Member of the Executive Board on April 26, 2022.

⁹ Mr. Suthas Ruangmanamongkol, Prof. Dr. Pranee Tinakom, Prof. em. Dr. Teerana Bhongmakapat, Dr. Charatpong Chotigavanich resigned from Director on April 25, 2022.

¹⁰ Dr. Kulpatra Sirodom resigned from a Director and the Chairperson of Audit Committee on May 31, 2022.

¹¹ Prof. Dr. Thanaruk Theeramunkong was appointed as Independent Director and the Member of Risk Oversight Committee by the 2022 Annual General Meeting of Shareholders on April 26, 2022, next was resigned on August 31, 2022.

2. Non-monetary Remuneration

1. An executive car for the Chairman of the Board,
2. Group life and accident insurance, or health insurance, or travel insurance, as appropriate
3. Directors & Officers Liability Insurance (D&O).

8.1.3 Corporate Governance of Subsidiary Companies

TISCO Group, comprising TISCO and its subsidiaries, operates as a single entity to ensure good governance and effective synergies between Group resources. The operating structure between TISCO, the parent company, and all subsidiaries, is framed in such a way as to provide coherent business direction and ensure good governance of equal standards across entities. In this regard, TISCO, the parent holding company, serves as the governing company, and defines policies and standards as well as common corporate strategies for all companies in the group. TISCO also centralizes all key control and support functions within the Group. Subsidiary companies serve as strategic business units which are responsible for the roles of Marketing & Sales, Customer Relations, Transaction Processing, and Credit Control.

As the governing company, TISCO will define Group strategic directions, business plans, as well as resource allocations of all subsidiary companies. Although the Group strategic plan involves both top-down and bottom-up processes, TISCO's Board of Directors ultimately holds the authority to approve the Group's business model, corporate strategies, business plan, and financial budgets, which are applied on a Group consolidated basis.

Through the authorities provided in this Corporate Governance Policy, TISCO will appoint the Board of Directors and Board committees, if applicable, of all subsidiary companies, as well as define their business policies and strategies. Significant business activities will also require approval by TISCO. TISCO will monitor on an ongoing basis the business performance and all significant matters of subsidiary companies, in accordance with the corporate strategies and business plan approved by TISCO's Board of Directors.

All support and control functions will be centralized at TISCO in order to create good governance standards, promote synergies, and maximize the operating efficiency and effectiveness of TISCO Group operations. These centralized operations cover the areas of governance, strategy & planning, finance & accounting, risk management, credit controls, internal control & compliance, human resources, as well as business development and process improvement activities. Centralized policies will be set up on these aspects for application across all subsidiary companies. Subsidiary companies serve as strategic business units which focus on various financial services. The key roles of strategic business units consist of sales & marketing, customer relationships, and delivery of products and services to customers. The companies also have their own transaction processing and credit controls. The subsidiary companies will operate their businesses within the policies, guidelines and strategic directions given by TISCO, the parent holding company. Ongoing monitoring and feedback of the performance and key business activities of all subsidiaries will carry out and reported to the TISCO Board of Directors, as well as supervision of key decision making and controls. As a guiding principle, all key decisions regarding investments or divestments, asset acquisitions or disposal, business joint ventures or strategic alliances by subsidiary companies shall be approved by TISCO.

In addition, the Company has assigned certain Management Committees and management supervising functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded such management to the same subsidiary companies for the same responsibilities on a full-time basis. This

is to ensure that they devote their time to effectively managing subsidiary companies under the TISCO Group strategy and plan approved by the Board of Directors.

To ensure coherent adoption of corporate governance across all subsidiary companies in TISCO Group, the roles and responsibilities of the Directors and the Management who the Company has seconded to manage the subsidiary companies have been clearly set. Follow-up procedures are set for subsidiaries to ensure prompt disclosure of any important information, in accordance with relevant laws and regulations, and to ensure that the subsidiaries are sufficient and appropriate for the internal control system, including ensuring Directors and Management fulfill their duties and responsibilities in accordance with the governing laws and regulations. As stated, the Board of Directors has delegated its monitoring and supervising roles to certain Management and sub-committees.

For subsidiary companies' related party transactions with related parties, significant acquisitions or dispositions of assets, or other significant transactions of subsidiary companies, i.e. termination of subsidiary companies, capital share increase or reduction, approval must be sought from the Board of Directors or at the Shareholder Meetings prior to conducting such transactions. The Company strictly follows the regulations of the Stock Exchange of Thailand, Notifications of the Securities and Exchange Commission, and relevant Notifications of the Capital Market Supervisory Board regarding any related party transactions and any transactions that may cause conflicts of interest.

8.1.4 Ensuring Compliance with Corporate Governance Policies and Guidelines

TISCO Group follows up to ensure compliance with policies and practices for corporate governance as specified. This starts with creating awareness for employees and management at all levels by disseminating policies and important procedures related to corporate governance on the Company's website. They conduct an annual exam that covers important topics such as ethics, risk management, anti-corruption, and corruption prevention, among others. New employees need to be trained in the aforementioned topics. The Board has assigned the management to oversee and support the implementation of relevant laws and regulations. To carry out these duties, policies and consulting guidelines must be conveyed and discussed regularly with other departments involved. The Board of Directors monitors the management and oversight of the company through reports from the sub-committees presented at each board meeting.

Conflicts of Interest Prevention

Regarding measures taken to prevent conflicts of interest, related parties transaction, or inappropriate related transactions, the Company has set a code of conduct for employees to ensure that employees comply with stipulated laws and regulations, conduct their duties with integrity, consider the Company's interests above their own, and refrain from exploiting inside information for their own benefit which has a process to consider and approve the transaction, as well as disclose information and approve connected transactions in accordance with the rules prescribed by the regulatory authorities.

Directors, Top Management or top four management whose ranks are below Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must first file with the Company a report on his/her interest or related person's interest in relation to management of the Company upon appointment and within three working days of the date of the change. In addition, TISCO has set out rules regarding securities trading by employees, stating that all employees must open trading accounts only with its subsidiary, TISCO Securities Company Limited. Also, employees are required to seek approval from their supervisors and the Compliance Unit before executing trades. Moreover, the rules prohibit Management Committee and insiders from trading TISCO's shares 7 days prior to the last working day of the month until 2 days after the financial statements or the summary of statements of assets and liabilities of TISCO are published.

Directors, Top Management or top four management whose ranks are below the Top Management, any person holding equivalent position of the fourth ranked management, and accounting department managers must report their securities holdings or change(s) of such or derivatives in TISCO, as well as those of their spouses,

cohabitants, and any minor children, to the Office of Securities and Exchange Commission. This report on securities holdings must be filed within 30 days of the date of appointment and within 3 working days of the date of the change. Directors must also notify the Board via the Audit Committee of their shareholdings at the end of each quarter. The Audit Committee reports the director shareholdings and activities report to the Board for acknowledgement under the Audit Committee's activities.

The above-mentioned persons must file a copy of their report on securities holdings or derivatives with TISCO on the same date that the report is filed to the Office of Securities and Exchange Commission. In addition, Directors and management shall file with TISCO a report on his/her interest or a related person's interest in relation to management of TISCO or the subsidiaries in accordance with the rules, conditions, and procedures specified by the Company, in compliance with the Securities and Exchange Commission requirements.

TISCO Group has placed great emphasis on managing its business operations effectively under the good corporate governance framework. TISCO Group has no policy to encourage transactions between related parties or any other transactions that may result in a conflict of interest. Should any such transactions occur, they must be considered thoroughly by the Audit Committee. The Audit Committee shall report and/or propose the transactions to the Board of Directors Meeting for approval on a case-by-case basis. The Company shall consider said transactions with the same standards and conditions as those governing normal business transactions. Persons with vested interests shall not be entitled to vote for the approval of said transactions.

Insider Information

TISCO Group determines the best practices for employees to carry out their duties with integrity, fairness, and compliance with related rules and regulations, confidentiality towards customers, and no preference to pursue personal opportunities over TISCO Group's responsibilities, including making no use of non-public information or disclosing information to persons outside of TISCO. TISCO Group's compliance manual acts as a set of guidelines to help employees perform their duties fairly and honestly, comply with applicable laws and regulations, avoid conflicts of interest, and to not seek benefits from insider information. Business guidelines, regulations, and the code of conduct have all been compiled in the creation of the Company's compliance manual.

With respect to TISCO Group's regulations governing employee securities trading, the Group requires that management and employees open trading accounts only with TISCO Securities, its subsidiary. In this regard, employees must report transactions to the Compliance function. Furthermore, the Group prohibits senior management and insiders from trading the Company's shares within seven working days of the last day of the month until two days after the Company's monthly financial statements or concise assets and liabilities statement are published. A Director privy to important information about TISCO that has not been disclosed to the public must keep such information confidential.

It is a violation of the law to purchase or sell TISCO stock on the basis of such important non-public information. Directors may not do so and may not provide such information to others for that or any other purpose. Directors shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of TISCO, except when disclosure is authorized or legally mandated. Directors shall disclose to TISCO the securities trading accounts of themselves and their related persons for the purpose of monitoring and preventing the use of non-public information. Directors shall notify the Corporate Secretary at least one day before dealing in any TISCO shares, in accordance with the Corporate Governance Policy.

Penalties shall be imposed for any breach and use of non-public information for one's own benefit as determined in the Company's regulations.

Protection of Intellectual Property

With a commitment to conduct business responsibly according to Business Code of Conduct. This includes respecting the intellectual property of the company and other entities and being careful not to infringe on such rights. TISCO has set the protection of intellectual property right and copyright as part of the Employees Code of Conduct. Employees have the duty to protect the company's intellectual property from unauthorized use, including respecting the rights of copyright or intellectual property owners. Penalties against disciplinary action have also been set up to ensure maintaining good discipline of employees. In addition, guidelines for the use of information systems have been established, such as prohibiting the installation or use of unlicensed software and defining guidelines for checking hardware and software installed on computers or any equipment of the company.

Anti-Corruption

TISCO Group operates its business with transparency, fairness, and verifiable by adhering to international practices and related regulations. With a commitment to operating a business with ethics, it has good corporate governance and responsibilities to all stakeholders, society, and environment. The problem of corruption is one of the social problems that every organization must solve together since it affects the development of the country and the elevation of quality of life.

In addition, TISCO has promoted a transparent and verifiable business ecosystem to serve as a good norm for people in society by declaring its intention and joining as part of the Thai Private Sector Collective Action Against Corruption (CAC) 2010. In 2022, TISCO Financial Group Public Limited and 3 subsidiaries consisting of TISCO Bank Public Company Limited, TISCO Securities Company Limited, and TISCO Asset Management Company Limited, were certified for the 3rd renewal of being a member of the Thai CAC.

Anti-Corruption Guidelines

TISCO Group has launched Anti-Corruption Policy and Guidelines to enforce the company's directors, executives, and all staff of TISCO Group. The objective of guideline establishment is to guide the group of companies to practice with honesty, efficiency, and effectiveness to prevent or minimize the possibility of being used for corruption. Additionally, the determination regarding the practices with counterparty or business partners, whistle blowing channel, disclosure of information about the intent of company in combating with corruption, reporting to the executives, and the examination of the implementation of anti-corruption program were included therein the Anti-Corruption Guideline.

TISCO Group has implemented program to fight against corruption, with details as follows:

1. Determined Integrity as the company's core values. All TISCO Group's employees conduct themselves with honesty and follow the code of ethics to the highest standards of professional ethics in working and customer services, with instilled this value on the first workday and throughout their term as employees.
2. Provided regular corruption risk assessments along with annual operational risk assessments. The results of the assessment are reported to the relevant committees for consideration.
3. Reviewed anti-corruption practices to be consistent with the assessed risks imposed strict penalties for employees involved in corruption.
4. Communicated Anti-Corruption Policy and Guidelines to ensure that they are comprehensive and clear. Key revision included prohibition of facilitation payment that could lead to corruption, prohibition of hiring government officials currently in position but not include the appointment of educational institution personnel as advisors or directors of the organization. Due diligence process and restriction of activities that incur conflict of interest were formulated as well as prohibiting improper practice or use of powers and duties, such as disclosing the secrets of the agencies they were previously affiliated with or the lobby in order to benefit in a wrong way. In case of hiring or

appointing a former government official from a regulatory agency directly related to the business of TISCO Group or used to be in a position that can benefit TISCO, there must be two years of cooling-off period. Name and background of the government officials who were appointed as directors, advisors, executives shall be disclosed in the annual report. Moreover, the Anti-Corruption Policy on the Company's website in the Corporate Governance section (www.tisco.co.th).

5. Communicated the guidelines for accepting gifts continually. No gift or other forms of rewards shall be accepted from customers, suppliers and other parties relating to the business on any occasion. In the case of undeniable TISCO Group will make charitable or collective donations to the TISCO Foundation or other charities. Besides, we have announced a no-gift policy during the New Year season 2023 on the organization's website and issued letter asking for cooperation with our customers, suppliers, and business-related parties of TISCO Group to refrain from giving gifts to employees and executives

6. Provided Anti-Corruption training programs to employee to promote integrity, honesty, and accountability in the exercise of their duties and responsibilities by adding "Anti-Corruption Policy" into Competency KPI which required 100 percent of test result as well as to acknowledge good practices to be applied in business.

7. Prepared the whistleblowing channel to receive complaints from internal and external parties. Information, which will be kept confidential, will be used for fact finding for proper resolution. Besides, the information of the complainant shall be protected in accordance with the TISCO Group's practices of whistleblowing.

8. Supported the promoted the intension to fight against corruption to business partners by sending an invitation letter to join a network in anti-corruption and submitting a supplier code of conduct that includes anti-corruption practices. Additionally, in 2022, TISCO Group was certified for the 3rd renewal for being a member of the Thai CAC and participated in the online CAC National Conference 2022 held on December 9, 2022. In addition, TISCO participated in creating a "Success Story" video clip to publicize and motivate other organizations, with the belief that conducting business with ethics is the foundation of organizational sustainability.

9. TISCO Securities included the assessment result of the progress of its efforts to mitigate conflicts of interest in its listed companies in the analysis report as information for investors' consideration. TISCO Asset Management included the assessment result of the progress of its efforts to mitigate conflicts of interest related to the investments in its publicly available fund documents. The assessment results, as well as the company's stance against conflicts of interest in the private sector, are also taken into account in investment consideration.

Whistleblowing Policy

In order to operate the business of the organization with transparency and fairness to all groups of stakeholders, TISCO Group has formulated a Whistleblowing Policy in writing which has been approved by the Board of Directors. The policy covers procedures and channels for whistleblowing the information or clues about fraud Wrong or improper conduct unlawful act, regulation, or code of conduct including measures to protect complainants or whistleblower to encourage management troubleshooting and reporting to the relevant committees. There is communication to third parties and employees as follows:

Third parties Communicate through the corporate website. Complaints could be sent by letter to the Chairman of the Audit Committee or the Compliance Function TISCO Financial Group Public Company Limited 48/49 TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

Employees Communicate through intranet and related training

TISCO Group has established the HR Help Line as another independent channel to listen to employee grievances. Senior Executives have been appointed to represent the HR Help Line to ensure transparent and impartial review and operation. The complainant's name is kept confidential in accordance with the TISCO Group's practices of whistleblowing filing.

TISCO Group has measures to protect the rights of information providers and provides necessary safeguards for the protection of employees from reprisals or victimization. In 2022, TISCO Group did not find any complaints about illegal actions, corruption, or significant business ethics.

Complaint Channels

TISCO Group has established channels for receiving complaints. Complainants can file complaints through 4 channels as follows:

- Channel 1** Directly submit at TISCO Bank's Head Office or branches to officers.
- Channel 2** Mail to the Chairperson of the Audit Committee or Compliance Department
TISCO Financial Group Public Company Limited
TISCO Tower, 21st Floor, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok, 10500
- Channel 3** Call TISCO Contact Center at 0 2080 6000 or 0 2633 6000, fax complaint to 0 2633 6800, Email to webmaster@tisco.co.th
- Channel 4** Post complaint on TISCO's website

8.2 Performance Result Report of the Audit Committee

Performance results of the Audit Committee are shown in Attachment 6. Details of the meetings attendance of the Audit Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.3 Performance Result Report of Other Sub-Committees

Performance results of the Executive Board, the Risk Oversight Committee, the Nomination and Compensation Committee, and the Corporate Governance are shown in Attachment 7. Details of the meetings attendance of sub-committee can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.4 Rights and Equitable Treatment of Shareholders

TISCO recognizes the basic rights of its shareholders and commits to protect and facilitate the exercise of shareholder rights. These rights include the right to buy, sell or transfer their shares; to receive their rightful portion of TISCO's profits; to easily obtain relevant and adequate information on TISCO on a timely and regular basis, to participate effectively and vote in general shareholder meetings and be informed of the rules that govern the general shareholders' meeting; to elect and remove members of the Board of Directors; to participate in, and to be sufficiently informed of decisions concerning fundamental company changes.

TISCO fairly and equally treats all shareholders, majority or minority, individual or institutional, foreign or Thai, executive or non-executive. Among its policies are:

- a) Minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.
- b) Insider trading and self-dealing abuses are strictly prohibited.
- c) Members of TISCO's board and senior management are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting TISCO.

The Company delivers the Notice of the shareholder meeting to shareholders with an attached Proxy Form A (a simple form for general shareholders), Form B (a specific detail form for general shareholders) and Form C (for foreign shareholders who have appointed custodians within Thailand to be responsible for the shares). Any shareholders who cannot attend the meeting can have their proxies participate on their behalf. In addition, the Company contacts institutional investors who are funds or custodians, to send representatives to the meeting and facilitates the process by conducting document checking in advance and providing information or responding to any inquiries.

With regard to shareholder meetings, in addition to the annual general meeting which must be convened within four months of the date marking the end of the accounting period, the Board of Directors may summon an extraordinary meeting at such date, time and place as determined by the Board. The Company allows minor shareholders to request the Board of Directors convene an extraordinary general meeting of shareholders under the laws and company regulations.

The Company emphasizes shareholder meetings as important occasions in which the shareholders have the right to participate in the decision-making process. TISCO encourages shareholders to fully exercise their rights and facilitates the process by:

- Inviting shareholders to propose agenda items at the annual general meeting and nominate qualified candidates for directorship

TISCO allocates sufficient time for either one shareholder or combined shareholders who hold a minimum of 100,000 shares or equivalent to less than one percent of the total issued and paid-up capital of the Company, to propose agenda items that they deem worthy of being placed on the annual general meeting agenda, and/or to propose qualified director candidates. The shareholders can submit their proposals in advance of the meeting in accordance with the criteria set by the Company. Regarding agenda items, the Board of Directors shall add items that are considered appropriate for the agenda and make sure that the items are included in the Notice of the annual general meeting. For nominations of qualified candidates for director positions, the Nomination and Compensation Committee shall review and propose candidates for the Board of Directors' consideration for further recommendation to the shareholders at the annual general meeting. In cases wherein proposals are not approved by the Board and/or the Nomination and Compensation Committee, the Company shall state the reason for refusal to at the shareholders' meeting, on the Company's website or through any other appropriate information dissemination channel.

For the 2022 Annual General Meeting, TISCO invited shareholders to propose agenda and qualified candidates for directorship in advance, from September 1 to November 30, 2022. Before mailing out the Notice, the Company posted on its website information for shareholders regarding their right to propose additional agenda items at the annual general meeting, along with related procedures, deadline for the proposal of agenda items, and methods of proposing qualified candidates for directorship to the Nomination and Compensation Committee for further recommendation to the Board of Directors and proposal to shareholders at the annual general meeting. Posting of the information on the Company website coincided with similar disclosure through the Stock Exchange of Thailand's information dissemination channel and website. No shareholders had proposed additional agenda items and qualified names for directorship as of the stated date of the Annual General Meeting.

- Notification of Meeting Details and Materials

The Company prepares the Notice of the shareholder meeting in both Thai and English and notifies investors of the meeting details prior to the meeting date through the Stock Exchange of Thailand's information dissemination channel and its website so as to allow shareholders adequate time to study the meeting materials. Such notice and materials shall be sent to the shareholders no less than seven days or 14 days, in case of a special meeting agenda, before the date set for the meeting, in accordance with the law. The information presented on the website shall be the same as that presented in the meeting materials sent to the shareholders, which includes (1) Notice of the meeting, (2) Proxy Forms, (3) Procedures for attending and voting General Meeting off Shareholders via Electronic Media, (4)

Annual Registration Statement and Annual Report 2022 (Form 56-1 One Report) and Sustainability Report in QR Code, and (5) Return envelope. In addition, the Company shall publish the Notice of the shareholder meeting in a Thai daily newspaper for three consecutive days and not less than three days before the date set for the meeting. All agenda items shall indicate clearly whether it is a matter being proposed for acknowledgement, for approval, or for consideration, and include the opinions of the Board of Directors in said meeting agenda.

TISCO conducted the 2022 Annual General Meeting on April 25, 2022, the meeting held through an electronic media channel. The Company assigned Inventech Systems (Thailand) Co., Ltd., which uses the Cisco Webex Meetings system for meetings and the Inventech Connect system for voting, or e-Voting, which has passed a self-conformity assessment from ETDA and complies with standards and criteria related to electronic meetings. In addition, the meeting was organized under the Company's Articles of Association related regulations and laws. It is also consistent with the AGM Quality Assessment (AGM Checklist), good corporate governance practices, as well as the CG Report assessment under the ASEAN CG Scorecard. TISCO disclosed the agenda of the meeting via the Stock Exchange of Thailand's information dissemination channel, and also disclosed the Notice of the shareholder meeting in both Thai and English versions through the Stock Exchange of Thailand's information dissemination channel and its website on February 28, 2022. TISCO assigned Thailand Securities Depository Co., Ltd. (Registra) to deliver the Notice of the Shareholder Meeting in both Thai and English to the shareholders, which includes the Notice of the Meeting, Registration and Procedures for Attending via Electronic Media, the Annual Registration Statement and Annual Report 2021, and the Sustainability Report 2021 in QR Code, which were sent to shareholders on March 25, 2022, or 31 days before the date of the shareholder meeting, in accordance with good corporate governance practices.

- Meeting attendance

The Company has attached a registration form for attending the shareholders' meeting via electronic media (e-AGM) to the invitation letter. Shareholders or proxies will be able to submit a request to attend the meeting through the e-Request system by accessing it from a web browser or scanning the QR Code from the meeting invitation letter and the Company's website. In addition, the Company has provided a call center staff to facilitate shareholders who have problems in Use the e-Request system to download and install the e-Meeting system for registration or during access.

The e-Request system allows shareholders who wish to attend the meeting in person or by proxy but are not directors of the Company to register more than 7 days in advance and can register until the meeting closes. On the meeting day, the system allows registration one hour before the meeting time. The shareholders can prepare and study how to use the system before the meeting starts at 2:00 p.m. It is convenient, safe, and does not obstruct or create obstacles in providing opportunities for shareholders to communicate with each other.

Moreover, TISCO allowed enough time for any shareholder to register to attend the meeting in advance of the meeting time. Shareholders were able to register to attend and exercise their voting rights on agenda items for which they have not voted for in advance once the meeting commenced. For shareholders unable to attend the meeting and who would like to appoint a proxy, TISCO presented more than one independent director, including profiles for shareholder selection as proxy. TISCO attached Proxy Form B, which allows shareholders to specify their voting decision with the notice. Shareholders could cast their votes in advance on the Voting Form sent out with the Notice of shareholders meeting. The shareholders can also download other types of proxy forms and Voting Forms from the Company's website.

For the 2022 Annual General Meeting, the Company proposed four independent directors, Chairman of the Board of Directors, Chairperson of the Audit Committee, Chairperson of the Risk Oversight Committee, and Chairperson of the Nomination and Compensation Committee, and included their profiles for shareholders to appoint as a proxy.

- Shareholder opportunity for queries and comments

Before the date was set for the meeting, TISCO invited shareholders to submit questions regarding the Company and meeting agenda that require clarification by the Board of Directors and management at the meeting. Questions may be submitted in advance via fax or emailed to Investor Relations. At the meeting, the Chairman shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and raise their queries at the meeting as per the agenda. TISCO shall endeavor to arrange for all directors, executives of the Company and subsidiaries, as well as the auditors to attend the shareholders meeting to answer the queries.

For the 2022 Annual General Meeting under the COVID-19 pandemic, there were 13 members of the Board of Directors in attendance (100 per cent). TISCO Management Committee members, auditors and representatives from the Bank of Thailand also observed the meeting.

- Conduct of the meeting and voting

The meeting is conducted in accordance with the order of agenda as arranged in the Notice of the meeting, unless the shareholders holding an aggregate number of shares not less than two-third of the total number of shareholders attending the meeting resolve to change the order of the agenda. In addition, the shareholders holding an aggregate number of shares not less than one-third of the total number of paid-up shares may request that the meeting consider other matters in addition to those specified in the Notice of the meeting. Before the meeting starts considering agenda items, the shareholders will be informed of the number and proportion of shareholders or proxies in attendance, their voting rights, total votes required for each agenda item, and the voting process. Every shareholder present in person or being represented by proxy is entitled to one vote per share, with the exception of cumulative voting for the appointment of directors. For the purpose of transparency and equitable treatment of the shareholders in the voting process, the Company shall utilize voting forms for all agenda items and cumulative voting for the appointment of directors. The Company assigns inspectors to oversee and monitor the shareholders' meeting to ensure that the meeting is conducted with transparency and in compliance with the law and the Articles of Association. After the vote count is completed, voting results of each agenda item will be announced to the meeting, by specifying the number of "For", "Against", "Abstain" votes and voided ballot.

The 2022 Annual General Meeting was conducted according to the Company's Articles of Association and laws. The company has completely complied with the procedures and methods specified in the law, including the use of technology for the shareholders' meeting in terms of registration, questions to the meeting, and voting by shareholders. The shareholders can vote from their personal electronic devices, which makes voting more convenient. Accurate and fast processing and display of voting results. The meeting was arranged with no additional agenda items, no changes to the agenda order, and no changes to important information without prior notification to shareholders. In addition, the Company assigned DIA Audit Company Limited to ensure that the meeting was conducted with clarity and transparency and in accordance with laws and the Company's Articles of Association. Representatives of DIA Audit Company Limited observed the registration and vote counting throughout the meeting.

For the election of directors, TISCO introduced a Cumulative Voting process which allows minority shareholders to take part in nominating and electing Independent Directors. To ensure transparency and equitable treatment, shareholders are allowed to cast their votes for individual directors.

The Company shall give notification of the shareholders' meeting resolutions to all investors through the SET's information dissemination channel within the same day of the meeting or at least one hour before the opening of the Stock Exchange of Thailand on the next working day. In addition, the Company shall prepare the minutes of the meeting in which all relevant information, including all clarifications, queries, opinions, and resolutions are recorded and categorized into "For", "Against", and "Abstain" votes. TISCO has disseminated the minutes on its website and submitted them to the Stock Exchange of Thailand within 14 days from the date of the meeting. The minutes of the meeting will be kept at the head office. In addition, TISCO has arranged for a recording of the shareholders meeting.

Shareholders who are interested may request a copy of the DVD from Investor Relations and Corporate Secretariat Office.

For the 2022 Annual General Meeting held on April 25, 2022, the Company reported the shareholders' meeting resolutions through the SET's information dissemination channel on the same day of the meeting and disclosed the minutes of the meetings on May 9, 2022, in compliance with the above-mentioned timeframe.

8.5 Interest of Stakeholders

TISCO recognizes the importance of the rights of stakeholders and treats all stakeholders fairly in accordance with the TISCO Corporate Governance Policy – Section: Rights and Equitable Treatment of Shareholders, and their legal rights, either those established by law or through mutual agreements. TISCO continues to develop processes to deliver superior financial products and services in order to meet stakeholders' expectations.

Actions towards Stakeholders

1. Shareholders

In addition to direct benefits resulting from rights and equitable treatment from TISCO, shareholders indirectly gain from the trust created by the fair treatment TISCO gives to other stakeholders. Such mutual trust in turn promotes co-operation between TISCO and its counterparts and is the key factor to maximizing the shareholders' long-term wealth and providing TISCO with financial stability and sustainability.

2. Employees

TISCO treats employees, permanent or contracted, fairly and with respect. They are compensated or rewarded based on an equitable performance evaluation system. They are equipped with the required standards of education and professional training, provided with health care benefits and workplace safety, and protected from offence and misuse of their personal information.

3. Customers

TISCO strives to maintain a sustainable relationship with customers. TISCO fulfills its contractual commitments with customers by providing professional and practical solutions which are beneficial and worthwhile for customers in accordance with the highest standards and code of conduct without accepting any bribes or providing benefits in an improper manner.

4. Business Partners and Creditors

TISCO treats its business partners and creditors fairly and honestly and honors any conditions agreed upon by both parties. In such business dealings, TISCO promises to abide by the Collective Action Coalition Against Corruption in the Private Sector.

5. Competitors

TISCO operates its business with respect for free and fair competition and integrity, works within the framework of applicable competition regulations, and refrains from action that may have a negative impact on the financial industry, including support of cartels, monopolies, or criticism of other banks.

6. Social

TISCO recognizes its social responsibilities and thus undertakes development initiatives to build a better society. TISCO is prudent when considering any action that may affect public interest. Furthermore, TISCO aims to promote financial inclusion and literacy as part of a healthy and strong society and supports activities beneficial to communities and society.

7. Environment

TISCO recognizes the importance of a healthy environment and thus has rolled out environmental policy that builds a framework for environmentally responsible business practices.

Along with the aforementioned stakeholder groups, the company is committed to conducting business in a manner that is consistent with *human rights* and believes that a successful business must adhere to ethical and humanitarian principles when dealing with all human beings equally, as well as respecting the rights and freedoms of others and not discriminating on the basis of race, skin color, gender, age, religion, physical disability, political opinion, birthplace, or social class, which impedes or impedes equal opportunity or treatment for employees, customers, business partners, and others, including *the respect for and non-infringement of copyright and intellectual property*; Employees are responsible for protecting the Company's intangible assets. Additionally, it adheres to the rights of copyright and intellectual property owners.

TISCO Group provides a variety of contact channels, including the TISCO Contact Center, service counters, TISCO Group website, and TISCO dedicated functions. These include the Investor Relations Function which is responsible for feedback from shareholders and the investor community and the TISCO HR Help Line which is responsible for feedback from employees. Moreover, the Compliance Function has been assigned to receive suggestions, complaints or any other concerns related to TISCO business operations and regulatory matters. Significant issues shall be reported to the Compliance Committee for consideration. In cases of critical corporate issues, the Compliance and Operation Control Committee will preliminarily screen the issues before reporting them to the Audit Committee. The Compliance and Operation Control Committee will further review, advise upon, and report the issues and/or outcome to the Board of Directors. In addition, to protect the rights and privacy of claimants, the company has created a Whistleblowing Policy and operational procedures to handle claims from customers, employees and stakeholders. Comments, complaints or any information given is protected and kept confidential.

8.6 Disclosure and Transparency

TISCO believes that its shareholders and other stakeholders are entitled to timely and accurate disclosure of all material information regarding the company, including financial reports, Quarterly Management Discussion and Analysis, and other important non-financial information, either by mandatory requirement or on a voluntary basis.

Disclosure is conducted in Thai and English and made available through easily accessible channels, including TISCO's website, press conferences, quarterly analyst meetings, sessions with investors, and the information dissemination channels of the Stock Exchange of Thailand and the Security Exchange Commission.

TISCO makes publicly available on its website by the next working day the voting results for all resolutions from the annual general meeting and extraordinary general meetings.

TISCO prepares reports for submission to relevant authorities and for public dissemination on the basis of equality and simplicity. The Board of Directors shall provide a report on the performance of the Company and important business activities over the course of the year to shareholders. Moreover, the Board of Directors is accountable for assessment of the Company's internal control system, which is primarily assessed by the Executive Board and reviewed by the Audit Committee. The Board of Directors is also responsible for certification of the accuracy of information in financial statements and assigns the Audit Committee to review the financial statements of the Company and its subsidiaries to ensure that they are presented in accordance with generally accepted accounting principles and disclosed in an accurate and transparent manner to allow investors to make informed investment decisions. The Board provides the Statement of the Board of Directors' Responsibility for Financial Statements, while the Audit Committee provides reports on audit issues along with the auditor's report. Reports from the Board, the Audit Committee and the auditor's report are included in the Annual Registration Statement (Form 56-1), Annual Report, and Sustainability Report reflecting value-creating practices for a sustainable business.

TISCO arranges for the disclosure of the names and responsibilities of directors and other committees, the number of meetings, each director's meeting attendance record, individual remuneration, profiles of directors and management, and other corporate information in the Annual Report and the Company's website.

The Company has assigned its Corporate Secretariat Office and Investor Relations Function to represent the Company in communications with shareholders, investors, analysts, credit rating agencies and related regulatory bodies. The Company's information is publicly disseminated for easy access to interested parties through various channels, including reports submitted to the SET, the SEC, and the Company's website under "Investor Relations". Furthermore, TISCO has set up numerous activities which provide updates on the Company's information as well as responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-One meetings and Investor meetings, both local and international. The mentioned activities are participated in by senior management. Activities arranged in 2022 were as follows:

1. Four Quarterly Analyst Meetings with approximately 80 persons attending each meeting (online meeting).
2. One SET Opportunity Day event, arranged by the Stock Exchange of Thailand, with approximately 20 analysts and investors attending the meeting
3. Eight Company Visits and 7 conference calls with investors and equity analysts, both local and international.
4. Meetings with investors, both local and foreign, were Physical and Virtual Conferences by the Securities Company; there were a total of 17 meetings, covering 148 investors in attendance.

Moreover, the Investor Relations and the Corporate Secretariat Office have improved its operations towards a digital format by reducing the use of paper and delivering documents via digital channels. If printing of documents or reports is mandatory, environmentally friendly paper, printing ink and printing processes are chosen so as to reduce greenhouse gas emissions and preserve the environment.

Investors and shareholders may contact the Company at:

Investor Relations

Email : ir@tisco.co.th
 Tel. : 0 2633 6868
 Fax. : 0 2633 6855

Corporate Secretariat Office

Email : tisco_cs@tisco.co.th
 Tel. : 0 2633 6805
 Fax. : 0 2633 6855

Address:

TISCO Financial Group Pcl.
 Investor Relations, 7th Floor
 Corporate Secretariat Office, 7th Floor
 TISCO Tower, 48/49 North Sathorn Road,
 Bangrak, Bangkok, 10500
 Website : www.tisco.co.th

Ordinary shares registrar:

The Thailand Securities Depository Co., Ltd.
 Tel. : 0 2009 9999

Appendix of the Corporate Governance Report

Director and Subcommittees changes during the period of 2022

1. Assoc. Prof. Dr. Angkarat Priebjivat was appointed as the Chairperson of Corporate Governance Committee and resigned the Member of Audit Committee on April 26, 2022.
2. Mr. Sathit Aungmanee was appointed as the Chairman of Nomination and Compensation Committee and resigned the Member of Audit Committee on April 23, 2021.
3. Mr. Kanich Punyashthiti was appointed as the Member of Corporate Governance Committee on April 26, 2022.
4. Ms. Pongpen Ruengvirayudh was appointed as an Independent Director by the 2022 Annual General Meeting of Shareholders and was appointed as the Member of Audit Committee and Member of the Corporate Governance Committee on April 26, 2022.
5. Ms. Penchun Jarikasem was appointed as an Independent Director by the 2022 Annual General Meeting of Shareholders, was appointed as the Member of Corporate Governance Committee and Member of Nomination and Compensation Committee on April 26, 2022 and was appointed as the Chairperson of Audit Committee on June 27, 2022.
6. Assoc. Prof. Dr. Sillapaporn Srijunpetch was appointed as an Independent Director and the Member of Audit Committee, effective June 30, 2022.
7. Assoc. Prof. Dr. Vara Varavithya was appointed as an Independent Director and the Member of Risk Oversight Committee, effective December 19, 2022.
8. Mr. Metha Pingsuthiwong was appointed as an Executive Director by the 2022 Annual General Meeting of Shareholders and was appointed as Member of the Executive Board on April 26, 2022.
9. Mr. Suthas Ruangmanamongkol, Prof. Dr. Pranee Tinakorn, Prof. em. Dr. Teerana Bhongmakapat, Dr. Charatpong Chotigavanich resigned from Director on April 25, 2022.
10. Dr. Kulpatra Sirodom resigned from a Director and the Chairperson of Audit Committee on May 31, 2022.
11. Prof. Dr. Thanaruk Theeramunkong was appointed as Independent Director and the Member of Risk Oversight Committee by the 2022 Annual General Meeting of Shareholders on April 26, 2022, next was resigned on August 31, 2022.

9. Internal Control and Related Party Transactions

9.1 Internal Control System

TISCO Group emphasizes a sound risk management policy and internal control system to enhance the effectiveness of its business undertakings. The control structure starts with a control environment for transparent operations of the Group's businesses under good corporate governance, and extends to include structural checks and balances, centralized policies and guidelines for enterprise-wide adoption, a written and thoroughly communicated code of conduct, disciplinary processes, and establishment of channels for accepting complaints with appropriate consideration.

Oversight of Internal Control System and Risk Management

Business undertakings as well as the adequacy of the control system are under the supervision of the Board of Directors of TISCO Financial Group through the Executive Board, Risk Oversight Committee, and the Audit Committee. Centralized supervision is conducted by TISCO Group in accordance with the consolidated supervision principles of the Bank of Thailand and is under the following structure.

1. The Executive Board of the parent company oversees the entirety of the risk management and internal control systems, fosters a risk governance culture to support the organizational business operations and determined business direction and targets, and ensures the effectiveness of the implementation of the risk management framework and control systems of TISCO Group. Under TISCO Financial Group, the parent company, specific sub-committees have been appointed to centralize the oversight functions. These include the Risk Management Committee, the Compliance and Operation Control Committee, the IT Risk Committee, and the Technology and Infrastructure Committee. Meanwhile, TISCO Bank, a subsidiary of TISCO Group, has also established specific sub-committees relevant to the banking business, namely the Risk Management Committee, the Credit Committee, and the Problem Loan Committee. As for other subsidiaries within TISCO Group, sub-committees can be appointed in line with the complexity of the business undertakings of each subsidiary and as deemed necessary and appropriate. The risk management and control system of each subsidiary within TISCO Group shall be implemented in accordance with the Internal Control Policy, Corporate Governance Policy, and Risk Management Policy as well as the relevant guidelines determined by the parent control for enterprise-wide adoption.

2. The Risk Oversight Committee's duties include ensuring compliance with the risk management policies & strategies, and risk appetite. The committee shall exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies strategies and risk appetite on a regular basis. Reports shall also be made to the Board regarding risk exposures, effectiveness of risk management, progress in the implementation of risk culture, significant issues and required improvements to comply with the risk management policies & strategies.

3. The Audit Committee of TISCO Financial Group shall perform its duties independently, namely assessing and overseeing the adequacy of TISCO Group's internal control system established and supervised by the Executive Board, including the effectiveness of the audit system. The Audit Committee of TISCO Financial Group shall consider the Internal Control Assessment Form prepared by the management of TISCO Group and concurred with by the Risk Oversight Committee on an annual basis prior to proposing it to the Board of Directors for consideration and approval. Regarding the oversight of the Internal Audit function, the Committee approves the Internal Audit Policy, Internal Audit Charter, Audit Plan and Strategy, and Key Performance Indicators, acknowledges the internal audit practices, audit reports, audit progress update, and evaluates the performance of the Internal Audit function. With respect to the oversight of compliance, the Committee shall acknowledge the annual compliance plan and report, compliance activities, legal case status, BOT report, and assess corrective and preventive measures.

Overview of TISCO Group's Internal Control System and Risk Management

Internal Control and the Risk Management Framework are a set of interrelated components which start with the governance and risk management culture and widen to include synchronization between strategic objectives and risk management, risk assessment and management support of business objectives, monitoring, and finally, communication and reporting. The Internal Control system is an inherent component of risk management that raises the value and enhances the effectiveness of the other components. TISCO Group has implemented an internal control system and integrated- enterprise risk management framework under international best practices to ensure achievement of objectives, efficiency and effectiveness of operations, and compliance with laws and regulations. The internal control system has 5 key components, as described below.

TISCO Group has developed a control environment that promotes a sound internal control system. The established control environment first defines "Integrity" as a core corporate value, then serves to create and cultivate risk culture, establish Internal Control Policy and Guidelines, structure organizational checks and balances and supervisory lines, and determine the appropriate approval authority and accountability. These efforts facilitate the pursuit of business objectives as well as the continued education of employees in order to enhance skills and competency. In regard to the oversight function, the Risk Oversight Committee, as appointed and delegated by the Board, shall supervise the performance of the Management Committee in terms of complying with the risk management policies and strategies and shall review establishment of a sound control system and risk management process. The Audit Committee performs its duties through the operations of the Internal Audit Function in assessing the effectiveness of risk management and the control system. Meanwhile, the Corporate Governance Committee shall oversee the performance of the duties of the Board, directors, and management to assure that proceedings are undertaken in accordance with the Corporate Governance Policy, code of business ethics, and relevant laws and regulations.

Effective risk management and controls are considered highly important by TISCO Group. Thus, a Risk Oversight Committee has been established to oversee and govern corporate risks transparently and independently. The Risk Management Committee is delegated the responsibility of establishing effective risk management policies, prudent risk management guidelines and limits as well as monitoring and control processes. The Risk Management Committee assesses and measures key risks, particularly in the areas of credit, liquidity, market, strategy, and operations, including IT and fraud. Backed by an effective risk management framework and system, the Risk Management Function is accountable for measuring and monitoring the risks defined in the Risk Management Guidelines, and regularly reporting the monitoring results to senior management and relevant committees. Meanwhile, the overall risk management process is also examined by independent internal auditors on a regular basis.

TISCO Group has designed a control system to serve as centralized management. This provides assurance that all subsidiaries within TISCO Group operate their businesses under an effective control system that aligns with each respective environment. The goal here is to manage risks which could affect the achievement of business objectives and/or damage the organization. Centralized policies and guidelines and the delegation of authority have been developed for enterprise-wide adoption and to support regular governance that ensures work proceeds under standardized practices. Additionally, under the internal control framework, segregation of duties among operators, reviewers and evaluators is well defined with a sound practice for assuring the checks and balances as well as the appropriateness of the audit system.

TISCO Group has steadfastly developed its information technology systems while enhancing the quality of information in order to provide efficient and timely information. An IT Risk Management Function has also been established to govern and support the achievement of control objectives and supervise compliance with laws and regulations related to IT. TISCO Group has adopted appropriate information technology and information security for business operations in order to secure key information. Additionally, TISCO Group has determined the channels and process to communicate adequate and accurate information to internal or external parties in a timely manner.

To ascertain whether the components of internal control are efficiently functioning, TISCO Group has established a monitoring and control assessment process. In addition, TISCO Group has arranged a channel to report

internal control deficiencies to the responsible persons for timely corrective action. An audit process through the Internal Audit Function and Compliance Function has also been established. The results of examination of the control effectiveness as well as compliance with the laws and regulations stipulated by the supervisory authorities shall be regularly reported to senior management and the relevant committees.

9.1.1 Board of Directors' Report on Internal Control System

At the Board of Directors' Meeting No. 1/2023 on February 21, 2023, attended by five independent directors, including three members of the Audit Committee, the Board considered the Company's internal control assessment form as prepared by management. Such form was reviewed and approved by the Risk Oversight Committee and the Audit Committee. According to the assessment form, evaluation was made to cover five components: Organizational Control and Environmental Measures, Risk Management Measures, Management Control Activities, and Information and Communication Measures and Monitoring. The Board is of the view that the Company's internal control system is adequate and appropriate for business undertakings. The Company has established a sound control system and sufficient resources to carry out the determined processes, including sufficient monitoring control for supervising the business operations of subsidiaries in order to prevent conflict of interests.

9.1.2 Audit Committee and Independent Auditor Comments on Internal Control System

The Audit Committee agreed with the Board of Directors' report on the Internal Control System and had no comments on the internal control system. The details are provided in Attachment 6, Report of the Audit Committee. Moreover, in 2022, Ernst & Young Office Limited as independent auditor of the Company had no comments on the internal control system.

9.1.3 Head of Internal Audit Unit and Head of Compliance Unit

(1) Head of Internal Audit

TISCO Group has appointed Ms. Chuenchit Trakarnratti as the Head of Internal Audit. She is judged to be qualified to take charge of the Internal Audit function with her competency and auditing experience. Ms. Chuenchit is able to independently perform her duties with the support of the Audit Committee. Ms. Chuenchit is also appointed as the Secretary to the Audit Committee. Qualifications of the current Head of Internal Audit are provided in Attachment 3.

(2) Head of Compliance

TISCO Group appointed Miss Sakornrat Manuwong to be as the Head of Corporate Compliance to oversee the compliance of business operations with related laws and regulations. The Compliance Function is under the supervision of Mr. Pairat Srivilairit - Chief Governance Officer. Qualifications of the current Heads are provided in Attachment 3.

9.2 Related Party Transactions

The Company disclosed the details of related party transactions under section 3.33 of the notes to the consolidated financial statement for the year ended December 31, 2022. The Company and its subsidiaries conducts business transactions with related parties at an arms-length basis to ensure fairness for external parties.

9.2.1 Necessity and justification for the transactions

Related party transactions were deemed necessary in order to obtain maximize benefit for the Group. These transactions were found to be supportive of the normal business operations of TISCO Group and in accordance with the consolidated supervision principles of the Bank of Thailand. Hence, these transactions did not involve any conflicts of interest.

9.2.2 Measures or procedures for approval of related party transactions

All transactions between related parties shall be done on the same basis and under the same conditions applied to external parties. Those with personal vested interests shall not be entitled to vote for the approval of said transactions. In addition, TISCO Group will disclose information in a transparent manner and in accordance with good governance principles.

9.2.3 Related transaction policy

The Group puts a strong emphasis on effective management under good governance and in accordance with the relevant rules and regulations. In addition, the Group has set up a “Related Party Transaction Policy”, implemented across the Group, which states that the Group does not encourage transactions between related parties. Should any such transactions occur, the conditions would be the same as for normal business transactions for the Group.

Part 3 Financial Statement

Summary of Auditor's Report

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2022

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2022 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of his report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2022, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2021

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2021 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of the report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2021, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and drew attention to the matters related to the adoption of the set of Thai Financial Reporting Standards related to financial instruments in the preparation of current year's financial statements and to the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. The auditor's opinion is not modified in respect of this matter.

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2020

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2020 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of the report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2020, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and drew attention to the matters related to the adoption of the set of Thai Financial Reporting Standards related to financial instruments in the preparation of current year's financial statements and to the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements. The auditor's opinion is not modified in respect of this matter.

Summary Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Financial position for the years ended

(Unit: Thousand Baht)

	2022	2021	2020
Assets			
Cash	1,005,066	1,103,425	1,220,207
Interbank and money market items - net	40,272,419	30,489,211	38,212,028
Financial assets measured at fair value through profit or loss	2,172,386	2,081,052	2,173,020
Derivatives assets	147,489	-	62,095
Investments - net	3,989,884	8,042,759	9,953,256
Investments in subsidiaries and joint venture - net	872,808	809,629	804,925
Loans to customers and accrued interest receivables			
Loans to customers	236,240,839	220,419,498	244,355,748
Accrued interest receivables and undue interest receivables	1,722,316	1,712,501	1,901,983
Total loans to customers and accrued interest receivables	237,963,155	222,131,999	246,257,731
Less: Deferred revenue	(17,237,040)	(17,469,825)	(19,544,201)
Less: Allowance for expected credit loss	(11,844,732)	(11,740,174)	(11,825,544)
Loans to customers and accrued interest receivables - net	208,881,383	192,922,000	214,887,986
Properties foreclosed - net	6,550	120,522	29,671
Investment property	27,058	27,305	27,334
Premises and equipment - net	2,786,274	2,780,562	2,921,739
Right-of-use assets - net	753,866	752,829	885,486
Intangible assets - net	99,603	130,919	214,268
Deferred tax assets	830,504	759,729	766,444
Securities and derivatives business receivables - net	611,384	1,131,229	1,058,180
Other assets	2,957,763	2,470,763	2,226,573
Total assets	265,414,437	243,621,934	275,443,212

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Financial position for the years ended

	(Unit: Thousand Baht)		
	2022	2021	2020
Liabilities and equity			
Liabilities			
Deposits	188,265,809	166,541,926	203,472,825
Interbank and money market items	6,195,459	8,080,700	5,807,646
Liabilities payable on demand	256,708	274,432	1,284,765
Derivatives liabilities	-	3,385	-
Debts issued and borrowings	15,756,919	14,961,919	12,825,919
Lease liabilities	700,258	707,179	828,590
Provisions	1,712,266	1,728,981	1,691,054
Deferred tax liabilities	-	-	1,097
Securities and derivatives business payables - net	1,246,559	1,521,353	1,033,041
Accrued interest payable	559,568	481,691	735,903
Income tax payable	830,031	661,620	495,672
Other liabilities	7,100,237	7,458,365	7,804,621
Total liabilities	222,623,814	202,421,551	235,981,133
Equity			
Share capital			
Registered			
33,858 preference shares of Baht 10 each	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and fully paid-up			
9,859 preference shares of Baht 10 each	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456
	8,006,555	8,006,555	8,006,555
Share premium			
Share premium on preference shares	-	-	-
Share premium on ordinary shares	1,018,408	1,018,408	1,018,408
	1,018,408	1,018,408	1,018,408
Other components of equity	1,831,007	1,828,088	1,837,917
Retained earnings			
Appropriated - statutory reserve	801,000	801,000	801,000
Unappropriated	31,130,416	29,543,039	27,795,056
Equity attributable to equity holders of the Company	<u>42,787,386</u>	<u>41,197,090</u>	<u>39,458,936</u>
Non-controlling interest of the subsidiaries	3,237	3,293	3,143
Total equity	42,790,623	41,200,383	39,462,079
Total liabilities and equity	265,414,437	243,621,934	275,443,212

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Comprehensive Income for the years ended

	(Unit: Thousand Baht)		
	2022	2021	2020
Profit or loss:			
Interest income	14,904,299	14,791,685	16,756,709
Interest expenses	(2,170,667)	(2,331,858)	(3,659,000)
Net interest income	12,733,632	12,459,827	13,097,709
Fee and service income	5,498,917	6,117,752	5,512,092
Fee and service expenses	(453,268)	(514,989)	(366,061)
Net fee and service income	5,045,649	5,602,763	5,146,031
Gain (loss) on financial instruments measured at fair value through profit or loss	86,420	403,826	257,485
Net gain (loss) on investments	2,801	6,283	12,372
Share of profit (loss) from investments accounted for under equity method	55,476	7,216	(1,717)
Dividend income	72,978	69,609	58,903
Penalty fee income from loans	186,472	173,927	217,139
Other operating income	121,354	99,863	116,021
Total operating income	18,304,782	18,823,314	18,903,943
Operating expenses			
Employee's expenses	6,103,734	5,727,009	5,288,351
Directors' remuneration	21,597	20,002	18,160
Premises and equipment expenses	1,365,358	1,338,717	1,272,885
Taxes and duties	260,450	243,281	276,538
Other operating expenses	839,705	937,569	1,155,889
Total operating expenses	8,590,844	8,266,578	8,011,823
Expected credit loss	722,677	2,063,979	3,330,604
Profit from operations before income tax expenses	8,991,261	8,492,757	7,561,516
Income tax expenses	1,766,722	1,707,764	1,497,654
Total Profit for the year	7,224,539	6,784,993	6,063,862

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of Comprehensive Income for the years ended

	(Unit: Thousand Baht)		
	2022	2021	2020
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period</i>			
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	(1,417)	(4,583)	2,053
Share of other comprehensive income of joint venture:			
Cash flow hedges of joint venture (loss)	7,703	(2,512)	(6,960)
Income tax effects	283	917	(411)
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax (loss)	6,569	(6,178)	(5,318)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent period</i>			
Actuarial gains (loss)	104,391	3,979	(40,273)
Income tax effects	(20,939)	(953)	8,072
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (Loss)	83,452	3,026	(32,201)
Other comprehensive income for the year (Loss)	90,021	(3,152)	(37,519)
Total other comprehensive income for the year	7,314,560	6,781,841	6,026,343
Profits attributable to			
Equity holders of the Company	7,224,078	6,784,593	6,063,483
Non-controlling interests of the subsidiaries	461	400	379
	7,224,539	6,784,993	6,063,862
Total comprehensive income attributable to			
Equity holders of the Company	7,314,099	6,781,441	6,025,964
Non-controlling interests of the subsidiaries	461	400	379
	7,314,560	6,781,841	6,026,343
Earnings per share of equity holders of the Company			
Basic earnings per share (Baht per share)	9.02	8.47	7.57

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow Statement for the years ended

	(Unit: Thousand Baht)		
	2022	2021	2020
Cash flows from operating activities			
Profit from operations before income tax	8,991,261	8,492,757	7,561,516
Adjustments to reconcile profit from operations before income tax			
to net cash provided by (paid from) operating activities			
Depreciation and amortisation	534,273	592,479	657,177
Expected credit loss	3,199,323	3,718,818	5,116,156
Share of (profit) loss from investment accounted for under equity method	(55,476)	(7,216)	1,717
Allowance for impairment of properties foreclosed (Reversal)	(191)	(5)	564
Gain on disposal of investments in securities	(760)	(607,601)	(12,372)
Unrealised gain on foreign exchange transactions			
and trading derivatives	(243,235)	(155,857)	(21,803)
(Gain) loss on financial instruments measured at fair value through profit or loss	(51,776)	306,669	(253,456)
Loss on changes in value of investment properties	247	29	2,970
Gain on disposal/write-off of equipment and intangible assets	(10,020)	(3,266)	(2,140)
Gain on disposal of properties foreclosed	(48,343)	(48,345)	(33,340)
Employee benefit expenses	129,291	132,576	204,697
(Increase) decrease in accrued income	(25,691)	(28,122)	184,294
Increase (decrease) in accrued expenses	138,617	(196,846)	(801,440)
Net interest income	(12,733,632)	(12,459,827)	(13,097,709)
Dividend income	(72,978)	(69,609)	(58,903)
Cash received on interest income	14,599,222	14,696,962	15,729,391
Cash paid on interest expenses	(1,622,362)	(2,096,139)	(3,364,522)
Cash received on dividend income	72,978	69,609	58,903
Cash paid on income tax	(1,714,250)	(1,535,529)	(1,456,983)
Profit from operating activities before changes			
in operating assets and liabilities	11,086,498	10,801,537	10,414,717
Operating assets (increase) decrease			
Interbank and money market items	(9,777,682)	7,723,466	7,077,408
Loans to customers	(19,058,956)	18,266,553	14,267,839
Securities and derivatives business receivables	519,845	(73,049)	105,886
Receivables from clearing house	(244,556)	(104,541)	(291,291)
Properties foreclosed	130,191	(106,350)	(11,837)
Other assets	(233,317)	(114,895)	388,509
Operating liabilities increase (decrease)			
Deposits	21,723,883	(36,930,899)	(12,611,726)
Interbank and money market items	(1,885,241)	2,273,054	1,151,513
Liabilities payable on demand	(17,724)	(1,010,333)	977,898
Securities and derivatives business payables	(274,794)	488,312	212,496
Short-term debts issued and borrowings	1,815,000	2,116,000	(2,351,000)
Payables to clearing house	186	(309,866)	(28,955)
Provision for long-term employee benefits	(49,644)	(77,481)	(54,500)
Other liabilities	(654,442)	(4,036)	(328,901)
Net cash flows from operating activities	3,079,247	2,937,472	18,918,056

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow Statement for the years ended

	(Unit: Thousand Baht)		
	2022	2021	2020
Cash flows from investing activities			
Cash paid for purchase of investments in securities	(17,657,471)	(12,166,216)	(31,435,476)
Cash received from disposal of investments in securities	21,752,316	14,512,470	29,164,080
Cash paid for purchase of building improvements, equipment and vehicles	(205,801)	(74,396)	(168,903)
Cash paid for purchase of intangible assets	(25,486)	(30,794)	(30,943)
Cash received from disposal of building improvements, equipment and vehicles	10,498	4,611	7,663
Net cash flows from (used) in investing activities	3,874,056	2,245,675	(2,463,579)
Cash flows from financing activities			
Cash received from issuance of long-term debentures	2,800,000	700,000	4,160,000
Cash paid for redemption of long-term debentures	(3,820,000)	(680,000)	(14,000,000)
Cash paid on lease liabilities	(307,059)	(275,842)	(291,784)
Dividend paid	(5,724,603)	(5,044,087)	(6,205,043)
Net cash flows used in financing activities	(7,051,662)	(5,299,929)	(16,336,827)
Net increase (decrease) in cash	(98,359)	(116,782)	117,650
Cash at beginning of the year	1,103,425	1,220,207	1,102,557
Cash at end of the year	1,005,066	1,103,425	1,220,207
Supplemental cash flows information			
Non-cash transactions			
Right-of-use assets	288,842	136,945	158,039
Transfer-in of properties foreclosed in settlement of loans to customers	1,675,498	2,342,967	1,847,708

Attachment

- Attachment 1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary
- Attachment 2 Information on Directors of Subsidiaries
- Attachment 3 Information on Internal Audit Head and Compliance Head
- Attachment 4 Asset for Business Operation and Details on Asset Valuation
- Attachment 5 Policy and Guidelines on Corporate Governance and Business Ethics (Full Version)
- Attachment 6 Report of the Audit Committee
- Attachment 7 Report of Other Sub-Committees
- Attachment 8 Statement of the Board of Directors' Responsibility for Financial Statements
- Attachment 9 Independent Auditor's Report, Financial Statement, and Notes to consolidated financial statements

Attachment 1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary
 1.1 Profiles of Directors, Executives, Controlling Persons, Chief Financial Officer, Accountant, and Corporate Secretary as of January 1, 2023

Name / Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
1. Mr. Pliu Mangkornkanok Chairman of the Board of Directors Non-Executive Director The Director's date of first appointment: September 4, 2008 The Director's date of latest appointment: April 25, 2022	74	Master of Business Administration (Finance) - University of California at Los Angeles, USA Master of Science (Industrial Engineering) - Stanford University, USA Bachelor of Engineering (Industrial Engineering) - Chulalongkorn University <u>Public Training</u> <u>Thai Institute of Directors</u> - Director Certification Program - Role of the Chairman Program - Audit Committee Program - Strategic Board Master Class - IOD Director Briefing 1/2018: "Burning Issues Directors Need to Hear in the Year of the Dog" - Board Matters and Trends (BMT) - Chairman Dinner 2018 "Social Responsibilities in Action" - IOD Forum: Tough Boardroom Situations - Independent Directors Share Lessons Learned - Board of the year, Board of the Future - Independent Director Forum 1/2019: Tips and Tricks for Dealing with Questions in AGM - Directors Leadership Certification Program 0/2021 <u>Bank of Thailand</u> - Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call & Launching Ceremony of Thailand's Responsible Lending Guidelines - Bangkok FinTech Fair 2018: SME & Consumer Financial Solutions - Bangkok Sustainable Banking Forum 2018 - BOT OMFIF High-Level Seminar: Shaping the Future of Central Banks - IT Governance & Cyber Resilience <u>Bank of Thailand (BOT) jointly with The Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC)</u> - Cyber Resilience Leadership: Tone from the Top - Cyber Resilience Leadership: Herd Immunity - Cyber Resilience Leadership: SMART Goal <u>Thailand Energy Academy</u> - Executive Program in Energy Literacy for a Sustainable Future (Class 5) <u>Thaipat Institute</u> - Situation, Trend and Growth of Sustainability Development <u>Capital Market Academy</u> - Certificate of Capital Market Academy Leadership Program (Class of 10th) <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Future of Digital Infrastructure - Cyber Security Issues & Defenses for Financial Sector	Common 2,221,016 (0.28) Preferred -	-	Apr2022-Present 2010-Present 2012-Apr2022 Apr2022-Present 2009-Present 2012-Apr2022 2016-Present 2012-Present Nov2020-Present 2012-Nov2020 2019-Present 2010-2019 2016-Present 2011-Present 2019-Present 2011-2019 2011-Present 2015-2018	<u>TISCO Group</u> Non-Executive Director Chairman of the Board of Directors Independent Director Non-Executive Director Chairman of the Board of Directors Independent Director <u>Others Company with Conflict of Interest</u> - <u>Other Listed Company</u> Vice Chairman Member of Human Resources Committee Independent Director Member of Audit Committee Chairman of the Audit Committee <u>Others Non-Listed Company</u> Advisor Director Director Director <u>Others Organization</u> Advisor Director Vice Chairman Advisor	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) Star Petroleum Refining Public Company Limited (Refinery) Design 103 International Limited (Architect Consultant and Designer) Amata Spring Development Company Limited (Golf and country club) Chuchawal-Royal Haskoning Company Limited (Engineering Consultant) Sem Pringpuangkeo Foundation TISCO Foundation Thai Institute of Directors

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>2. Mr. Dung Ba Le</p> <p>Vice Chairman of the Board of Directors Member of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: December 1, 2021</p> <p>The Director's date of latest appointment: April 25, 2022</p>	56	<p>Master of Science (Electrical Engineering) State University of New York Master of Science (International Business Diplomacy Honor Program) Georgetown University</p>	<p>Common - Preferred -</p>	-	<p>Dec2021-Present</p> <p>2020-Mar2021</p> <p>2015-2019</p> <p>2018-2019</p> <p>2015-2018</p>	<p><u>TISCO Group</u> Vice Chairman Member of the Nomination and Compensation Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Advisor to the Chairman of the Board Deputy Chief Executive Officer & Chief Risk Officer Board Member Chairman of the Board <u>Others Non-Listed Company</u> - <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>Vietnam Technological and Commercial Joint-stock Bank (Banking) Techcombank Securities (Banking/Investment) Techcombank Asset Management Company (Banking)</p>
<p>3. Assoc. Prof. Dr. Angkarat Priebrjivat</p> <p>Non-Executive Director Chairperson of the Risk Oversight Chairperson of the Corporate Governance Committee</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: April 25, 2022</p>	67	<p>Doctor of Philosophy (Accounting) New York University, USA Master of Science (Accounting) Bachelor of Business Administration (Accounting) Thammasat University</p> <p><u>Public Training</u> <u>Thai Institute of Directors</u> - Audit Committee Program - Director Certification Program - Director Accreditation Program - Monitoring the Internal Audit Function - Role of the Chairman Program - Anti-Corruption for Executive Program - Monitoring Fraud Risk Management - Monitoring the System of Internal Control and Risk Management - Driving Company Success with IT Governance (ITG) 6/2017 - R-ACF-Audit Committee Forum - Audit Committee Forum 2018: Learn, unlearn and relearn - Audit Committee in the Age of Disruption - DCP Series 4/2019: How to Develop a Winning Digital Strategy - Board of the Year, Board of the Future - IOD National Director Conference 2021 <u>The Institute of Chartered Accountants in England and Wales (ICAEW)</u> - Certificate in International Financial Reporting Standards (IFRS) <u>Capital Market Academy</u> - Certificate of Capital Market Academy Leadership Program <u>Bank of Thailand</u> - IT Security Awareness for Top Management <u>Bank of Thailand (BOT) jointly with The Securities and Exchange Commission (SEC)</u> <u>and Office of Insurance Commission (OIC)</u> - Cyber Resilience Leadership: SMART Goal <u>The Securities and Exchange Commission</u> - Data-driven Cybersecurity and Intelligence Threats Assessment - Cyber Threat Lessons Learned for Board of Directors</p> <p><u>In-House Training</u> - Artificial Intelligence & Machine Learning - Cyber Security Issues & Defenses for Financial Sector</p>	<p>Common - Preferred -</p>	-	<p>Apr2022-Present</p> <p>Apr2021-Present</p> <p>Apr2013-Apr2021</p> <p>2008-Apr2022</p> <p>Apr2022-Present</p> <p>Apr2021-Present</p> <p>Apr2013-Apr2021</p> <p>Apr2013-Apr2022</p> <p>Oct2019-Present</p> <p>2014-2021</p> <p>2008-2021</p> <p>2016-present</p> <p>2021-2021</p> <p>2012-Present</p> <p>2002-Present</p> <p>1992-Present</p> <p>2020-Present</p> <p>2018-Jan2020</p> <p>2016-2019</p> <p>2014-2018</p> <p>2018-2020</p>	<p><u>TISCO Group</u> Chairperson of the Corporate Governance Committee Non-Executive Director Chairperson of the Risk Oversight Committee Chairperson of the Audit Committee Independent Director Non-Executive Director Chairperson of the Risk Oversight Committee Chairperson of the Audit Committee Independent Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Independent Director Member of the Audit Committee Member of the Corporate Governance and Sustainable Development Committee Chairperson of the Risk Management Committee Independent Director Chairperson of the Audit Committee <u>Others Non-Listed Company</u> Director and Member of the Audit Committee Independent Director <u>Others Organization</u> Member of the Audit Committee Government Accounting Standards Committee Advisor to the Listing and Disclosure Department Chairman of Subcommittee on Finance and Accounting of the Energy Conservation Fund Independent Director Member of the Audit Committee Member of the Risk Management Committee Member of Finance and Accounting Subcommittee Director and Member of the Audit Committee Advisor to the Fundraising and the Listing and Disclosure Department</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>PTT Exploration and Production Public Company Limited (Petroleum Exploration and Production)</p> <p>COL Public Company Limited (Supplier of full line office products)</p> <p>TSEC Securities Public Company Limited (Liquidity provider to securities business) Bio Science Animal Health Co., Ltd. (Distributing animal feed and animal related products)</p> <p>Thai Public Broadcasting Service (Thai PBS) The Comptroller General's Department, Ministry of Finance The Stock Exchange of Thailand Ministry of Energy</p> <p>TOT Public Company Limited</p> <p>State Railway of Thailand Tourism Authority of Thailand The Securities and Exchange Commission</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)		Family Relationship with other Management	Work Experience within 5 years		
						Period	Position	Company / Organization (Type of Business)
<p>4. Mr. Sathit Aungmanee Non-Executive Director Chairman of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: April 30, 2014</p> <p>The Director's date of latest appointment: April 25, 2022</p>	76	<p>Master of Business Administration (Finance) Fairleigh Dickinson University, USA Bachelor of Business Administration (Accounting) Thammasat University</p> <p><u>Public Training</u> <u>Thai Institute of Directors</u> - Director Forum 2017 "The Board's Role in CEO Succession Planning" - Role of Financial Sector in Fighting Corruption - Board Nomination and Compensation Program</p> <p><u>In-House Training</u> - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector</p>	Common Preferred	150,035 (0.02) -	-	<p>Apr2022-Present May2017-Apr2022 2016-Apr2022 Jun2015-Apr2022 2014-Apr2017 2014-2016 May2017-Apr2022 2016-Apr2022 2014-2016</p>	<p><u>TISCO Group</u> Chairman of the Nomination and Compensation Committee Non-Executive Director Member of the Audit Committee Independent Director Member of the Nomination and Compensation Committee Member of the Corporate Governance Committee Director Member of the Audit Committee Independent Director Director <u>Other Company with Conflict of Interest</u> <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> - <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p>
<p>5. Mr. Kanich Punyashtiti Independent Director Member of the Nomination and Compensation Committee Member of the Corporate Governance Committee</p> <p>The Director's date of first appointment: April 22, 2021</p> <p>The Director's date of latest appointment: April 25, 2022</p>	53	<p>Master of Laws (cum laude), The Catholic University Leuven, Belgium Master of Laws, The University of Michigan, USA Master of Laws, Harvard University, USA Bachelor of Laws, Chulalongkorn University</p> <p><u>Public Training</u> <u>The Securities and Exchange Commission</u> - Cyber Armor: Capital Market Board Awareness No.2 <u>Thai Institute of Directors</u> - Director Accreditation Program <u>Thailand Institute of Justice</u> - High Level Justice Process Administrators Certificate Class 17,</p> <p><u>In-House Training</u> - Future of Digital Infrastructure - Cyber Security Issues & Defenses for Financial Sector</p>	Common Preferred	- -	-	<p>Apr2022-Present Apr2021-Present Apr2021-Present 2021-Present 2020-Present 2019-Feb 2021 2021-Present 2019-Present 2017-Present 2016-Present 2012-Present 2012-Present 2019-2021 2020-Present 2017-Present 2018-Present 2015-Present 2013-Present</p>	<p><u>TISCO Group</u> Member of the Corporate Governance Committee Independent Director Member of the Nomination and Compensation Committee Independent Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Member of Nomination and Remuneration Committee Independent Director Member of the Audit Committee Chairman of Nomination and Remuneration Committee Member of the Audit Committee <u>Others Non-Listed Company</u> Independent Director Member of the Audit Committee Chairman of Corporate Governance Committee Director Legal Advisor Legal Advisor Legal Advisor Director <u>Others Organization</u> Committee Member Director Director Director Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>Thai President Foods Plc. (Food & Beverage)</p> <p>Thitkorn Plc. (Leasing & Hire purchase)</p> <p>Muang Thai Life Assurance Plc. (Insurance)</p> <p>B.Grimm S.Napa Solar Power Co., Ltd. (Production and distribution of electricity from solar energy)</p> <p>SNC (2015) Co., Ltd. (Real estate)</p> <p>Siam Piwat Co., Ltd. (Retail and Real Estate Development)</p> <p>S. Napa (Thailand) Co., Ltd. (Water and Environment Business)</p> <p>Global Utilities Service Co., Ltd. (Utilities Services)</p> <p>Pangjee Design Co., Ltd. (Design)</p> <p>Law Reform Commission of Thailand Committee (Government)</p> <p>The National Identity Foundation (Foundation)</p> <p>Chitralada Technology College (Educational Institution)</p> <p>Prince Mahidol Foundation (Foundation)</p> <p>H.R.H. Princess Maha Chakri Sirindhorn Foundation for Chitralada School (Foundation)</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					2009-Present	Vice Chairman	Rajpracha Samasai School Foundation (Foundation)
					2007-Present	Director	H.R.H. Princess Maha Chakri Sirindhorn Foundation for the Faculty of Arts, Chulalongkorn University (Educational Institution)
					1994-2020	Assistant professor	Chulalongkorn University (Education)
					2019-2021	Committee Member	Consideration and Reformation Committee of Partnership and Companies Law (Government)
6. Ms. Pongpen Ruengvirayudh Independent Director Member of the Audit Committee Member of the Corporate Governance Committee The Director's date of first appointment: April 25, 2022	67	Master of Business Administration, Thammasat University Master of Business Administration (Finance), Katholieke University, Belgium Bachelor of Business Administration, Thammasat University <u>Public Training</u> <u>Thai Institute of Directors</u> - Director Certification Program <u>Bank of Thailand (BOT) jointly with The Securities and Exchange Commission (SEC)</u> <u>and Office of Insurance Commission (OIC)</u> - Cyber Resilience Leadership: SMART Goal <u>The Securities and Exchange Commission (SEC)</u> - Easy Listening: Accounting Knowledge that AC should not miss 2022 (online) <u>In-House Training</u> - Future of Digital Infrastructure - Cyber Security Issues & Defenses for Financial Sector	Common - Preferred -	-	Apr 2022-Present	<u>TISCO Group</u> Member of the Corporate Governance Committee Member of the Audit Committee Independent Director	TISCO Financial Group Public Company Limited (Holding Company)
					Apr 2022-Present	Member of the Audit Committee Independent Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u>	TISCO Bank Public Company Limited (Commercial Bank)
					2019-Present	Independent Director / Member of the Audit Committee	SCG Packaging Plc. (Packaging)
					2020-Present	<u>Others Non-Listed Company</u> - <u>Others Organization</u> Chairperson of the Monetary Policy Subcommittee,	Thai Health Promotion Foundation (Government)
					2020-Present	Honorary Director of the Corporate Bond Stabilization Fund (BSF) Committee	The Bank of Thailand (Independent Organization)
					2017-Present	Chairperson of the Supervisory Board of The ABF Thailand Bond Index Fund (ABFTH),	
					2019-Present	Associate Judge	Central Intellectual Property and International Trade Court (Government)
					2019-Present	Chairperson of the Investment Seeking Benefits from Money and Assets Supervision Subcommittee	Equitable Education Fund (Government)
					2019-Present	Qualified member	Dhurakij Pundit University Council (Education)
					2016-2021	Member of the Investment Management Subcommittee	Social Security Fund (Government)
					2018-2020	Member of Risk Management Subcommittee / Director	Government Pension Fund (Government)
					2016-2020	Chairperson	Sukhumvit Asset Management Co., Ltd. (state-owned enterprise that manages assets)
					2018-2018	Director / Chairperson of the Executive Board Chairperson of the Corporate Governance Committee	Government Savings Bank (State enterprises under the Ministry of Finance)
					2014-2017	Member of the National Wage Committee No. 19	Ministry of Labor (Government)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>7. Ms. Penchun Jarikasem Independent Director Chairperson of the Audit Committee Member of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: April 25, 2022</p>	67	<p>Master of Science (Business Administration), Thammasat University Bachelor of Arts, Chulalongkorn University</p> <p><u>Public Training</u> <u>Thai Institute of Directors</u> - IT Governance and Cyber Resilience Program - Risk Management Program for Corporate Leaders - Board Matters and Trends - Ethical Leadership Program - Role of Chairman Program - Advanced Audit Committee Program - Director Certificated Program - Director Accreditation Program <u>Capital Market Academy (CMA)</u> - Capital Market Academy Leadership (CMA 4)</p> <p><u>In-House Training</u> - Cyber Security Issues & Defenses for Financial Sector</p>	Common - Preferred -	-	<p>Apr 2022-Present Jun2022-Present</p> <p>Apr 2022-May2022 June 2022-Present</p> <p>Apr 2022-May2022</p> <p>2018-Present 2022-Present 2018-2021</p> <p>2016-2018 2016-Present</p> <p>2018-Present</p> <p>2020-Present 2020-2020 2018-2020</p> <p>2017-2019 2018-2019 2016-2018</p>	<p><u>TISCO Group</u> Member of the Nomination and Compensation Committee Chairperson of the Audit Committee Independent Director</p> <p>Member of the Audit Committee Chairperson of the Audit Committee Independent Director Member of the Audit Committee <u>Other Company with Conflict of Interest</u> -</p> <p><u>Others Listed Company</u> Independent Director Chairperson of the Risk Management Committee Member of the Audit Committee Chairman of the Risk Management Committee Advisor</p> <p>Independent Director Chairperson of the Audit Committee <u>Others Non-Listed Company</u> Independent Director Chairperson of the Audit Committee</p> <p><u>Others Organization</u> Subcommittee on Finance and Accounting The working group established to resolve accounting issues (on behalf of the Thai Listed Companies Association) Subcommittee on Consideration of Debt Securities Derivatives and Structured Products Advisory Board for Fundraising and Listed Company Regulation Director Chairperson of the Finance and Accounting Subcommittee Subcommittee for Finance and Budgeting Improvement</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>PTT Exploration and Production Plc. (Energy)</p> <p>Osotspa Plc. (Manufacture and sale of consumer products)</p> <p>Ritta Holdings Co., Ltd. (Construct)</p> <p>The Energy Conservation Fund (Fund) The Securities and Exchange Commission (SEC) (Government)</p> <p>State Railway of Thailand (rail transport system) Office of The Public Sector Development Commission (OPDC)</p>
<p>8. Assoc. Prof.Dr. Sillapapom Srijunpeth Independent Director Member of the Audit Committee</p> <p>The Director's date of first appointment: June 30, 2022</p>	59	<p>Doctor of Philosophy (Accounting), Manchester Business School, University of Manchester, UK Master of Business Administration, The George Washington University, U.S.A Master of Accounting, Bachelor of Accounting (Class Honors), Thammasat University</p> <p><u>In-House Training</u> - Cyber Security Issues & Defenses for Financial Sector</p>	Common - Preferred -	-	<p>Jun 2022-Present Jun 2022-Present</p> <p>2021-Present</p> <p>2005-2018</p> <p>2020-Present</p> <p>2017-Present</p> <p>2015-Present 1997-Present</p>	<p><u>TISCO Group</u> Member of the Audit Committee Independent Director Member of the Audit Committee Independent Director <u>Other Company with Conflict of Interest</u> -</p> <p><u>Others Listed Company</u> Member of the Audit Committee Independent Director <u>Others Non-Listed Company</u> Member of the Audit Committee Independent Director <u>Others Organization</u> Accounting Education and Technology Committee</p> <p>Member of the Audit Committee Independent Director Member of the Audit Committee Independent Director Lecturer, Faculty of Commerce and Accountancy</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>Principal Capital Public Company Limited (Health Care Services)</p> <p>CS Loxinfo Public Company Limited (ICT Service)</p> <p>Thailand Federation of Accounting Professions (Non-profit institutions) Thailand Automotive Institute (Non-profit institutions) Small and Medium Industrial (Non-profit institutions) Thammasat University (Education)</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>9. Assoc. Prof. Dr. Vara Varavithya Independent Director Member of the Risk Oversight Committee</p> <p>The Director's date of first appointment: December 15, 2022</p>	54	<p>Doctor of Philosophy (Computer Engineering), Master of Computer Engineering, Iowa State University, USA Bachelor of Engineering (First-Class Honors), King Mongkut's University of Technology North Bangkok</p> <p><u>Public Training</u> Bank of Thailand (BOT) jointly with The Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC) - Cyber Resilience Leadership: SMART Goal</p>	<p>Common - Preferred -</p>	-	<p>Dec2022-Present Dec2022-Present 2019-Present 2019-2019 1991-2019</p>	<p><u>TISCO Group</u> Independent Director Member of the Risk Oversight Committee Independent Director Member of the Risk Oversight Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> - <u>Others Organization</u> Dean, Faculty of Digital Technology Associate Professor, Faculty of Digital Technology Associate Professor, Faculty Members of Computer Engineering</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>Chitralada Technology Institute (Education) King Mongkut's University of Technology North Bangkok (Education)</p>
<p>10. Mr. Chi-Hao Sun Executive Director Member of the Executive Board (Authorized Signatory)</p> <p>The Director's date of first appointment: June 29, 2011</p> <p>The Director's date of latest appointment: April 25, 2022</p>	46	<p>Master of Science (Finance) Bentley University, USA Master of Business Administration Boston University, USA Bachelor of Arts (Economics) Taipei University, Taiwan</p>	<p>Common - Preferred -</p>	-	<p>2012-Present 2011-Present Apr2014-Present 2012-Present 2013-Present</p>	<p><u>TISCO Group</u> Member of the Executive Board Director Director Member of the Executive Board <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Senior Vice President <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>CDIB & Partners Investment Holding Corporation (Investment)</p>
<p>11. Mr. Satoshi Yoshitake Executive Director Member of the Executive Board (Authorized Signatory)</p> <p>The Director's date of first appointment: April 23, 2019</p> <p>The Director's date of latest appointment: April 25, 2022</p>	61	<p>Master of Business Administration Emory University, USA Bachelor of Economics Keio University, USA</p> <p><u>Public Training</u> <u>Thai Institute of Directors</u> - Director Accreditation Program</p>	<p>Common - Preferred -</p>	-	<p>2019-Present 2019-Present 2020-2021 Jul2018-2020 Jul2018-2021 2021-Present May2012-Present</p>	<p><u>TISCO Group</u> Director Member of the Executive Board Director Member of the Executive Board Director Managing Director Managing Director Director <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Senior Manager (International Business Strategic Planning Division) Employee (International Business Unit) <u>Others Organization</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Tokyo Leasing Company Limited (Leasing) HTC Leasing Company Limited (Leasing)</p> <p>Tokyo Century Corporation (Financial Service)</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
13. Mr. Metha Pingsuthiwong Executive Director Member of the Executive Board Chief Operating Officer President The Director's date of first appointment: April 25, 2022	55	Master of Business Administration (Finance) - University of Wisconsin-Milwaukee, USA Bachelor of Engineering (Electrical Engineering) Chulalongkorn University <u>Public Training</u> <u>Thai Institute of Directors</u> - Director Certification Program <u>Bank of Thailand</u> - IT Governance & Cyber Resilience Year 2019 - Bangkok Sustainable Banking Forum 2019 <u>ETCO</u> - Capital Market Outlook <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector	Common 195,800 (0.02) Preferred -	-	Apr2022-Present Apr2021-Present Feb2017-Mar2021 Jan2010-Jan2017 Apr2022-Present Apr2021-Present 2019-Present Feb2017-Mar2021 Jul2013-Jan2017 2019-Apr2021 2017-2019 2019-Apr2021 2017-2019 Apr2019-2020 2021-Present 1999-2018	<u>TISCO Group</u> Director and Member of the Executive Board Chief Operating Officer Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President Director and Member of the Executive Board President Member of the Risk Oversight Committee Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President - Retail Banking Chairman of the Board Member of the Audit Committee Director Chairman of the Board Member of the Audit Committee Director Director <u>Others</u> Director Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Securities Company Limited (Securities) TISCO Asset Management Company Limited (Asset Management) TISCO Investment Advisory Securities Company Limited (Investment Advisory) Dole Thailand Company Limited (Food & Beverage) K-Line (Thailand) Company Limited (Transportation)
14. Prof. Emeritus Dr. Teerana Bhongmakapat Advisor to TISCO's Board of Directors	66	Doctor of Philosophy (Economics) University of Wisconsin-Madison, USA Master of Art (Economics) Thammasat University Bachelor of Economics (Qualitative Analysis) Chulalongkorn University <u>Public Training</u> <u>Thai Institute of Directors</u> - Ethical Leadership Program - Risk Management Program for Corporate Leaders (RCL 15/2019) - Boards that Make a Difference (BMD 8/2018) - Audit Committee Forum 2017 "The Audit Committee's Role in Compliance and Ethical Culture Oversight" - Driving Company Success with IT Governance - Director Certification Program Update - Financial institutions Governance Program - Director Certification Program <u>Securities and Exchange Commission, Thailand</u> - Workshop on "Board Oversight of Cyber Risk Management" - Cyber Armor : Capital Market Board Awareness No.2 <u>Federation of Accounting Professions Under The Royal Patronage of His Majesty The King in association with Thai Institute of Directors</u> - Audit Committee Forum 2016 "New Auditor's Report: What's in it for you?" <u>Capital Market Academy</u> - Certificate of Executive Leadership Program <u>Bank of Thailand</u> - IT Security Awareness for Top Management	Common - Preferred -	-	Apr2022-Present May2019-Apr2022 May2019-Apr2021 May2017-Apr2022 2017-Present May2017-2019 Apr2014-Apr2017 Apr2013-Apr2017 2019-Apr2022 May2019-Apr2021 Apr2014-Apr2017 2014-Present 2012-Present 2022-Present 2022-Present 2021-Present 2018-Present 2018-Present 2016-Present	<u>TISCO Group</u> Advisor to TISCO's Board of Directors Chairman of the Corporate Governance Committee Chairman of the Risk Oversight Committee Director Advisor to the Economic Strategy Unit (TISCO ESU) Member of the Corporate Governance Committee Member of the Audit Committee Independent Director Director Chairman of the Risk Oversight Committee Independent Director Member of the Audit Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Chairman of the Audit Committee Member of the Compensation Committee Independent Director <u>Others Non-Listed Company</u> - <u>Others Organization</u> Chairman of the Board Vice Chairman of Audit Committee Member of Academic Nomination Committee Chairman of Performance Evaluation Committee Member of Academic Rank Committee Member of Academic Rank Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) Banpu Public Company Limited (Energy & Utilities) The Support Arts and Crafts International Centre of Thailand (Public Organization) Mitr Phol Company Limited (Cane and sugar industry) Dhonburi Rajabhat University (Education) The Health Promotion Foundation (Public Organization) Thammasat University (Education) Ramkhamhaeng University (Education)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					2016-Present	Member of Academic Rank Committee	Buriram Rajabhat University (Education)
					2018-2019	Honorary Director of the Smart City Committee	Office of the Prime Minister (Office of the Prime Minister)
					2016-2019	Chairman of the Research Centre Committee	Office of National Anti-Corruption Commission (Government Agency)
					2013-2019	Director of Contemplative Education Center	Mahidol University (Education)
					2014-2017	President	Community Prevention and Wellness Initiative Foundation (Foundation)
15. Ms. Krisna Theravuthi Advisor to TISCO's Board of Directors	73	Master of Business Administration (Marketing) University of Wisconsin-Madison, USA Bachelor of Accountancy (Accounting) Chulalongkorn University <u>Public Training</u> <u>Thai Institute of Directors</u> - Director Certification Program - Director Accreditation Program - Effective Audit Committee and Best Practices Program - Audit Committee Program - Monitoring the System of Internal Control and Risk Management Program - Role of Compensation Committee Program - Role of the Chairman Program	Common - Preferred -	-	Jun2013-Present	<u>TISCO Group</u> Advisor to TISCO's Board of Directors	TISCO Financial Group Public Company Limited (Holding Company)
					1986-Present	<u>Others</u> Chairman of the Board	Thavorn Udon Company Limited (Hotel)
					2012-Present	Director	Krua Charoen Company Limited (Food & Beverage)
					2010-Present	Vice President	Business and Professional Women's Association of Thailand - Udontani
					2010-Present	Honorary Director	Udonthani Vocational College
					2016-Present	Chairman	Northeast Community Center of Mental Retardation
16. Mr. Pitada Vatcharasiritham Senior Executive Vice President	58	Master of Business Administration Indiana University of Pennsylvania, USA Bachelor of Economics Thammasat University <u>Public Training</u> <u>Capital Market Academy</u> - Certificate of Executive Leadership Program <u>Thai Institute of Directors</u> - Corporate Governance for Capital Market Intermediaries (2016) <u>Institute of Business and Industrial Development</u> - Executive Management with Business Development and Investment	Common 80,000 (0.01) Preferred -	-	Jan2013-Present	<u>TISCO Group</u> Senior Executive Vice President	TISCO Financial Group Public Company Limited (Holding Company)
					2010-Present	Senior Executive Vice President - Corporate Banking	TISCO Bank Public Company Limited (Commercial Bank)
					2011-Present	Director	TISCO Securities Company Limited (Securities)
						<u>Others</u> -	
17. Mr. Paiboon Nalinthangkurn Senior Executive Vice President	56	Master of Business Administration (Finance) Indiana University at Bloomington, USA Bachelor of Arts (Computer Science) University of California at Santa Cruz, USA Chartered Financial Analyst CFA Institute, USA <u>Public Training</u> <u>Capital Market Academy</u> - Certificate of Capital Market Academy Leadership Program <u>Thai Institute of Directors</u> - Corporate Governance for Capital Market Intermediaries (CGI12/2016) - Director Certification Program - Audit Committee Program	Common 286,000 (0.04) Preferred -	-	Apr2021-Present	<u>TISCO Group</u> Senior Executive Vice President	TISCO Financial Group Public Company Limited (Holding Company)
					2010-Mar2021	First Executive Vice President	TISCO Securities Company Limited (Securities)
					2006-Present	Chief Executive Officer	
					2005-Present	Director	
						<u>Others</u>	
					2022-Present	Director	Federation of Thai Capital Market Organizations
					2020-Present	Honorary Director of the Economics	Digital Infrastructure Committees
					2019-Present	Director	The Stock Exchange of Thailand
					2019-Present	Honorary Advisor to the Economic Commission	The Secretariat of the Senate
					2019-Present	Director	Thailand Capital Market Development Fund
					2019-Present	Director	ASCO Association of Thai Securities Companies
					2009-Present	Chairman	Investment Analysts Association
					2020-2022	Bond Market Supervisory and Development Committee	The Securities and Exchange Commission
					2019-2022	Director	Thai Capital Market Research Resource
					2018-2022	Chairman	Federation of Thai Capital Market Organizations
					2017-2019	Chairman	Asian Securities and Investment Federation
					2014-2015	Member of the National Reform Council	The National Reform Council

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
20. Mr. Dejphinun Suthadsanasoung First Executive Vice President	53	<p>Master of Business Administration - Eastern Michigan University, USA Bachelor of Business Administration (Finance) Assumption University</p> <p><u>Public Training</u> <u>The Office of the Securities and Exchange Commission</u> - Privacy Law and Cybersecurity <u>Thai Bankers Association</u> - Thailand Data Protection Law</p> <p><u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery; Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector</p>	Common - Preferred -	-	<p>Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2010-Jan2017 2017-Present 2016-Present 2022-Present 2008-2022</p>	<p><u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Operations Executive Vice President - Retail Banking - Operations Assistant Executive Vice President - Retail Banking - Operations Chairman of the Board of Director Director Chairman of the Board of Director Director <u>Others</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) HTC Leasing Company Limited (Leasing) All-Ways Company Limited (E-marketplace Platform) TISCO Tokyo Leasing Company Limited (Leasing)</p>
21. Mr. Rungroj Jarasvijitkul First Executive Vice President	56	<p>Master of Business Administration Bachelor of Business Administration (Finance) Chulalongkorn University</p> <p><u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery; Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector</p>	Common - Preferred -	-	<p>Apr2021-Present Mar2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2015-Jan2017 2009-2015 Sep2018-Present</p>	<p><u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Sales & Marketing 1 Executive Vice President - Retail Banking - Sales & Marketing 1 Assistant Executive Vice President - Retail Banking - Product & Marketing Deputy Head of Retail Banking - Bangkok Channel Head of Bangkok Channel Director <u>Others</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Insurance Solution Company Limited (Insurance)</p>
22. Mr. Picha Ratanatam First Executive Vice President	51	<p>Master of Business Administration (Finance) California State University at San Diego, USA Bachelor of Business Administration (Applied Statistics) Chulalongkorn University</p> <p><u>Public Training</u> <u>Thai Listed Companies Association</u> - Strategic Board Master Class <u>The Thai Institute of Banking and Finance Association</u> - Financial Executive Development (FINEX) <u>Thai Financial Planners Association</u> - CFP Professional Forum</p> <p><u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery; Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector</p>	Common - Preferred -	-	<p>Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2013-Jan2017 2022-Present 2019-2022</p>	<p><u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Wealth Management & Banking Services Executive Vice President - Wealth Management Assistant Executive Vice President - Wealth Management Chairman of the Board Director <u>Others</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Asset Management Company Limited (Asset Management)</p>

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
23. Ms. Pavinee Ongvasith First Executive Vice President	54	Master of Finance/Management/Economics Oregon State University Bachelor of Engineering Chulalongkorn University <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector	Common - Preferred -	-	Apr2021-Present 2019-Mar2021 2016-2018 2018-Present 2016-Present 2011-2017 2018-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President Assistant Executive Vice President Chief Executive Officer Director Head of Asset Management - Investment <u>Others</u> Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Fitch Ratings Limited (Provider of Credit Ratings)
24. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	57	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA <u>Public Training</u> <u>Thai Institute of Directors</u> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future - CAC National Conference 2021: รวมพลังธุรกิจโปร่งใสใส่ใจด้านคอร์ปอเรชัน - Empowering Board Evaluation Through the Company Secretary Lens Company Secretary Forum 2021 <u>Thaipat Institute</u> - GRI Certified Training on G4 reporting Guidelines <u>Office of the National Anti-Corruption Commission</u> - Anti-Corruption Strategic Management for Senior Executives <u>Bank of Thailand and the Thai Bankers' Association</u> - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption <u>The Stock Exchange of Thailand</u> - Integrating Human Rights into Risk Management <u>Thai Listed Companies Association</u> - Business Operation with ESG in Process	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Sep2013-Present 2013-2016 Sep2013-Present Sep2013-Present Sep2013-2018 2020-Present 2015-2020 2019-Present 2011-2018 2010-Present 2010-Present 2019-Present	<u>TISCO Group</u> First Executive Vice President - Governance Office Executive Vice President - Governance Office Corporate Secretary Head of Governance Office Director Director Director <u>Others</u> Chairman of the Thai Company Secretary Club Director Director Member of Internal Audit Quality Assurance Committee Member of Internal Audit Development Committee Member of Risk Management Committee Member of the Audit Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) HI-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance) Listed Companies Association The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration Srinakharinwirot University

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<u>The Securities and Exchange Commission</u> - Cyber Amor, Data-driven Cybersecurity and Intelligence Threats Assessment <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector					
25. Ms. Wanthana Chotchaisathit First Executive Vice President - Information Technology	56	Master of Business Administration Kasetsart University Bachelor of Science (Statistics) Kasetsart University <u>Public Training</u> <u>The Thai Bankers Association</u> - Thailand Data Protection Law <u>Bank of Thailand</u> - Cybersecurity Act 2019, Personal Data Protection Act 2019 - IT Governance & Cyber Resilience <u>International Data Corporation (IDC)</u> - CIO Summit 2019 Race to Reinvent The Digital Determination Playbook <u>The Securities and Exchange Commission</u> - Huawei Global FSI Summit 2019, Huawei - Blockchain Based Business Model Change - Cyber Armor: Data-driven Cybersecurity and Intelligence Threats Assessment <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector	Common 23,161 (0.00) Preferred -	-	2023-Present Feb2019-2022 2018-2019 2014-Present 2014-2022	<u>TISCO Group</u> First Executive Vice President - Information Technology Executive Vice President - Information Technology Assistant Executive Vice President - Information Technology Director Managing Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology)
26. Ms. Rachada Pruksanubal First Executive Vice President	51	Master of Business Administration (Finance) Thammasat University Master of Engineering (Computer Engineering) Tokyo Institute of Technology Bachelor of Engineering (Computer Engineering) Chulalongkorn University <u>Public Training</u> <u>Thai Bond Market Association</u> - Trader Refresher - Treasury Dealer <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Future of Digital Infrastructure - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector	Common 79,000 (0.01) Preferred -	-	2023-Present Apr2021-2022 2019-Mar2021 Apr2021-Present 2018-Present 2018-2019 2004-2017	<u>TISCO Group</u> First Executive Vice President Executive Vice President Assistant Executive Vice President Executive Vice President - Banking Services Head of Banking Services Acting Head of Treasury Acting Head of Fund Operation Deputy Head of Treasury <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)

Name/ Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ⁿ (shares/percentage)		Family Relationship with other Management	Work Experience within 5 years		
						Period	Position	Company / Organization (Type of Business)
27. Mr. Theeranat Rujimethapas First Executive Vice President	54	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Business Administration (General Marketing) Chulalongkorn University <u>Public Training</u> <u>Capital Market Academy</u> - Capital Market Academy Program (CMA 21) <u>The Thai Institute of Banking and Finance Association</u> - Financial Executive Development Program (FINEX 23) <u>Thai Financial Planners Association</u> - Certified Financial Planner (CFP) <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector	Common 8,800 (0.00)	Preferred -	-	2023-Present Apr2021-2022 2018-Mar2021 2018-Present 2013-2017 2009-2013 2018-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President Assistant Executive Vice President President Assistant Executive Vice President Managing Director <u>Others</u> Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Association of Investment Management Companies
28. Ms. Chutintorn Vigasi Head of Corporate Accounting	59	Master of Business Administration (Finance) Thammasat University Bachelor of Accountancy (Accounting) Chulalongkorn University	Common 16,356 (0.00)	Preferred -	-	2009-Present	<u>TISCO Group</u> Head of Corporate Accounting <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company)

Remark: ⁿ Including spouse and minor children

1.2 Changes in TISCO Shareholdings by Directors and Management (as of January 1, 2023)

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	
1	Mr. Pliu Mangkornkanok	2,221,010	2,221,010	-	-	-	-	0.28
	Including spouse and minor children	-	-	-	-	-	-	-
2	Mr. Dung Ba Le	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
3	Assoc. Prof. Dr. Angkarat Priebjivat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
4	Mr. Sathit Aungmanee	150,035	150,035	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
5	Mr. Kanich Punyashthiti	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
6	Mrs. Pongpen Ruengvirayudh	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
7	Ms. PENCHUN Jarikasem	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
8	Assoc. Prof. Dr. Sillapaporn Srijunpetch	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
9	Assoc. Prof. Dr. Vara Varavithya	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
10	Mr. Chi-Hao Sun (Mr. Howard Sun)	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
11	Mr. Satoshi Yoshitake	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
12	Mr. Sakchai Peechapat	66,177	66,177	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
13	Mr. Metha Pingsuthiwong	195,800	195,800	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
14	Prof. Emeritus Dr. Teerana Bhongmakapat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
15	Ms. Krisna Theravuthi	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
16	Mr. Pitada Vatcharasiritham	-	-	-	-	-	-	-
	Including spouse and minor children	80,000	80,000	-	-	-	-	0.01

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	
17	Mr. Paiboon Nalinthrangkurn	286,000	286,000	-	-	-	-	0.04
	Including spouse and minor children	-	-	-	-	-	-	-
18	Mr. Chatri Chandrangam	30,000	50,000	20,000	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
19	Mr. Yuttpong Sriwongjanya	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
20	Mr. Dejphinun Suthadsanasoung	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
21	Mr. Rungroj Jarasvijitkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
22	Mr. Picha Ratanatam	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
23	Ms. Pavinee Ongvasith	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
24	Mr. Pairat Srivilairit	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
25	Ms. Wanthana Chotchaisathit	23,161	23,161	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
26	Ms. Rachada Pruksanubal	79,000	79,000	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
27	Mr. Theeranat Rujimethapas	8,800	8,800	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
28	Mr. Kontee Sunthornpradit	13,200	13,200	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
29	Mr. Piram Sooklerk	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
30	Ms. Chutintorn Vigasi	16,356	16,356	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
31	Mr. Nipon Wongchotiwat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
32	Mr. Puvarin Kullaphatkanon	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
33	Ms. Surang Techarungnirun	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	As of January 1, 2022	As of January 1, 2023	Increase (Decrease) During the Year	
34	Mr. Kittipoap Watcharavasuntr	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
35	Mr. Pichit Treethephasumphan	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
36	Ms. Sakornrat Manuwong	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
37	Ms. Maneerat Wattanajak	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
38	Mrs. Yaninee Papnum	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
39	Mr. Prayuk Charoencharaskul	400	400	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
40	Ms. Nudtinee Suwanpanitch	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
41	Ms. Jiraporn Sawsukpaiboon	16,544	16,544	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
42	Mr. Ekarat Pongkitivanitchkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
43	Ms. Chuenchit Trakarnratti	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
44	Mr. Komsorn Prakobphol	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
45	Ms. Aree Archamongkol	33,400	38,400	5,000	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
46	Mr. Tula Rodsalub	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
47	Ms. Supissara Srikwanthong	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
48	Ms. Kwannapa Ampornvisaroot	1,650	1,650	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
49	Mr. Watsakorn Thepthim	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
50	Mr. Kittipong Tiyaboonthai	8,823	8,823	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
51	Ms. Chutiporn Luangrungsawang	3,100	3,100	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-

Attachment 2 Details of Directors and Management in a Subsidiaries Company (as of January 1, 2023)

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹
1. Mr. Pliu Mangkomkanok	NED, C	NED, C	-	-	-	-	-	-	-	-	-
2. Mr. Dung Ba Le	NED, VC, NCC	-	-	-	-	-	-	-	-	-	-
3. Assoc. Prof. Dr. Angkarat Priebjivat	NED, CROC, CCGC	NED, CROC	-	-	-	-	-	-	-	-	-
4. Mr. Sathit Aungmanee	NED, CNCC	-	-	-	-	-	-	-	-	-	-
5. Mr. Kanich Punyashthiti	ID, NCC, CGC	ID	-	-	-	-	-	-	-	-	-
6. Ms. Pongpen Ruengvirayudh	ID, AC, CGC	ID, AC	-	-	-	-	-	-	-	-	-
7. Ms. Penchun Jarikasem	ID, AC, NCC	ID, AC	-	-	-	-	-	-	-	-	-
8. Assoc. Prof. Dr. Sillapaporn Srijunpetch	ID, AC	ID, AC	-	-	-	-	-	-	-	-	-
9. Assoc. Prof. Dr. Vara Varavithya	ID, ROC	ID, ROC	-	-	-	-	-	-	-	-	-
10. Mr. Chi-Hao Sun (Howard Sun)	ED, EBD	ED, EBD	-	-	-	-	-	-	-	-	-
11. Mr. Satoshi Yoshitake	ED, EBD	ED, EBD	-	-	-	-	-	-	-	-	-
12. Mr. Sakchai Peechapat	ED, CEBD, ROC, GCEO	ED, CEBD, ROC	-	-	-	-	-	-	-	-	-
13. Mr. Metha Pingsuthiwong ²	ED, EBD, COO	ED, EBD, ROC, PRES,	-	-	-	-	-	-	-	-	-

¹ HTC Leasing Co., Ltd. is a subsidiary of TISCO Tokyo Leasing Co., Ltd.

² TISCO Financial Group's management seconded to manage subsidiary companies

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹
14. Prof. Emeritus Dr. Teerana Bhongmakapat	A	-	-	-	-	-	-	-	-	-	-
15. Ms. Krisna Theravuthi	A	-	-	-	-	-	-	-	-	-	-
16. Mr. Pitada Vatcharasiritham ¹²	SEVP	SEVP	D	-	-	-	-	-	-	-	-
17. Mr. Paiboon Nalinthrangkum ¹²	SEVP	-	D, CEO	-	-	-	-	-	-	-	-
18. Mr. Chatri Chandrangam	SEVP, ROC	-	D	D	D	D	-	D	-	-	-
19. Mr. Yuttpong Sriwongjanya ¹²	FEVP	FEVP	-	-	D	-	-	-	D	-	-
20. Mr. Dejphinnun Suthadsanasoung ¹²	FEVP	FEVP	-	-	-	-	-	-	D	C	C
21. Mr. Rungroj Jarasvijitkul ¹²	FEVP	FEVP	-	-	-	-	-	-	D	-	-
22. Mr. Picha Ratanatam ¹²	FEVP	FEVP	-	C	-	-	-	-	-	-	-
23. Ms. Pavinee Ongvasith ¹²	FEVP	-	-	D, CEO	-	-	-	-	-	-	-
24. Mr. Pairat Srivilairit	CS, FEVP	CS	CS	CS	D	D	-	D	-	-	-
25. Ms. Wanthana Chotchaisathit ¹²	FEVP	-	-	-	-	D	-	-	-	-	-
26. Ms. Rachada Pruksanubal ¹²	FEVP	FEVP	-	-	-	-	-	-	-	-	-
27. Mr. Theeranat Rujimethapass ¹²	FEVP	-	-	D, PRES	-	-	-	-	-	-	-
28. Mr. Kontee Sunthornpradit	DH	-	-	-	-	-	D	-	-	D	D
29. Mr. Piram Sooklerk	FH	-	-	-	-	-	-	-	-	-	-
30. Mr. Chutintorn Vigasi	FH	-	-	-	-	-	-	-	-	-	-
31. Ms. Nipon Wongchotiwat	DH	-	-	-	-	-	-	-	D	-	-
32. Ms. Puvarin Kullaphatkanon	FH	-	-	-	-	-	-	-	-	-	-
33. Mr. Surang Techarungnirun	FH	-	-	-	-	-	-	-	-	-	-
34. Mr. Kittipoap Watcharavasuntr	FH	-	-	-	-	-	-	-	-	-	-
35. Mr. Pichit Treethephasumphan	FH	-	-	-	-	-	-	-	-	-	-
36. Ms. Sakornrat Manuwong	DH	-	-	-	-	-	-	-	-	-	-
37. Ms. Maneerat Wattanajak	FH	-	-	-	-	-	-	-	-	-	-

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹⁾
38. Ms. Yaninee Papnum	FH	-	-	-	-	-	-	-	-	-	-
39. Ms. Prayuk Charoencharaskul	FH	-	-	-	-	-	-	-	-	-	-
40. Ms. Nudtinee Suwanpanitch	FH	-	-	-	-	-	-	-	-	-	-
41. Ms. Jiraporn Sawsukpaiboon	FH	-	-	-	-	-	-	-	-	-	-
42. Ms. Ekarat Pongkitivanitchkul	FH	-	-	-	-	-	-	-	-	-	-
43. Mr. Chuenchit Trakamratti	FH	-	-	-	-	-	-	-	-	-	-
44. Mr. Komsorn Prakobphol	FH	-	-	-	-	-	-	-	-	-	-
45. Ms. Aree Archamongkol	FH	-	-	-	-	-	-	-	-	-	-
46. Mr. Tula Rodsalub	FH	-	-	-	-	-	-	-	-	-	-
47. Ms. Supissara Srikwanthong	FH	-	-	-	-	-	-	-	-	-	-
48. Ms. Kwannapa Ampornvisaroot	FH	-	-	-	-	-	-	-	-	-	-
49. Mr. Watsakorn Thepthim	DH	-	-	-	-	-	-	D, H	-	-	-
50. Mr. Kittipong Tiyaboonchai	FH	-	-	-	-	-	-	-	-	-	-
51. Ms. Chutiporn Luangrungsawang	FH	-	-	-	-	-	-	-	-	-	-

Remark:

Type of Director

ID	=	Independent Director
NED	=	Non-executive Director
ED	=	Executive Director
D	=	Director

Director Position

C	=	Chairperson
VC	=	Vice Chairman
A	=	Advisor to TISCO's Board of Directors
CEBD	=	Chairperson of the Executive Board
EBD	=	Executive Board
CROC	=	Chairman of the Risk Oversight Committee
ROC	=	Risk Oversight Committee
CAC	=	Chairperson of the Audit Committee
AC	=	Audit Committee
CNCC	=	Chairperson of the Nomination and Compensation Committee
NCC	=	Nomination and Compensation Committee
CCGC	=	Chairperson of the Corporate Governance Committee
CGC	=	Corporate Governance Committee
CS	=	Corporate Secretary

Management Position

GCEO	=	Group Chief Executive
COO	=	Chief Operating Officer
SEVP	=	Senior Executive Vice President
FEVP	=	First Executive Vice President
EVP	=	Executive Vice President
CEO	=	Chief Executive Officer
PRES	=	President
MD	=	Managing Director
H	=	Head
DH	=	Division Head
FH	=	Function Head
-	=	None

Attachment 3 Details of Head of Internal Audit and Head of Compliance as of January 1, 2023

Name / Position	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/ percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
1. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	57	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA <u>Public Training</u> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future - CAC National Conference 2021: รวมพลังทำใจโปร่งใสได้ด้านคุณวิเศษ - Empowering Board Evaluation Through the Company Secretary Lens Company Secretary Forum 2021 Thai Institute of Directors - GRI Certified Training on G4 reporting Guidelines Thaipat Institute - Anti-Corruption Strategic Management for Senior Executives Office of the National Anti-Corruption Commission - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption Bank of Thailand and the Thai Bankers' Association - Integrating Human Rights into Risk Management The Stock Exchange of Thailand - Business Operation with ESG in Process Thai Listed Companies Association - Cyber Amor; Data-driven Cybersecurity and Intelligence Threats Assessment The Securities and Exchange Commission <u>In-House Training</u> - Adaptation to Climate Change on Financial Sector - Artificial Intelligence & Machine Learning - Digital Entrepreneurship in ASEAN for Economic Resilience and Post-Pandemic Recovery: Digital x Entrepreneurship x Sustainability - Cyber Security Issues & Defenses for Financial Sector TISCO Financial Group Public Company Limited	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Sep2013-Present 2013-2016 Sep2013-Present Sep2013-Present Sep2013-2018 2020-Present 2015-2020 2019-Present 2011-Present 2010-Present 2010-Present 2019-Present	<u>TISCO Group</u> First Executive Vice President - Governance Office Executive Vice President - Governance Office Corporate Secretary Head of Governance Office Director Director Director Chairman of the TCSC Club Director Director Member of Internal Audit Quality Assurance Committee Member of Internal Audit Development Committee Member of Risk Management Committee Member of the Audit Committee <u>Others</u>	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) HI-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance) Thai Company Secretary Club The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration Srinakharinwirot University
2. Ms. Chuenchit Trakamratti Head of Internal Audit	52	Master of Science (Computer Information System) Assumption University Bachelor of Accountancy Chulalongkorn University	Common - Preferred -	-	Jan2021-Present Aug2014-2020	<u>TISCO Group</u> Head of Internal Audit Head of Operational Risk Management <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company)

Name / Position	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/ percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
3. Ms. Sakornrat Manuwong Head of Corporate Compliance Acting head of Compliance - Securities Business	53	Bachelor of Accountancy (Accounting) Thammasat University Master of Business Administration Thammasat University	Common - Preferred -	-	Jan2023-Present 2017-2022 2010-2016	<u>TISCO Group</u> Head of Corporate Compliance Acting head of Compliance - Securities Business Head of Compliance - Securities Business Head of Compliance - Banking Business <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company)

Remark: ¹ Including spouse and minor children

Attachment 4 Details on Asset Appraisal

- Not Available -

Attachment 5

Policy and Guidelines on Corporate Governance and Business Ethics

Corporate Governance Policy

TISCO discloses a full report of corporate governance policies and guidelines on the TISCO website, www.tisco.co.th. It can be viewed in the “Investor Relations” section, “Corporate Governance” subsection on “Corporate Governance Policy” or scan QR code



Code of Conduct

TISCO discloses a full report of code of conduct on the TISCO website, www.tisco.co.th. It can be viewed in the “About TISCO” section, “Corporate Governance” subsection on “Code of Conduct” or scan QR code



Report of the Audit Committee

Appointed by the Board of Directors, the Audit Committee of TISCO Financial Group Public Company Limited (TISCO) comprises the following independent directors:

New appointed committee members during the year

- | | |
|---|--|
| 1. Ms. Penchun Jarikasem | Chairperson (Since June 27, 2022)
Member (Since April 26 - June 26, 2022) |
| 2. Ms. Pongpen Ruengvirayudh | Member (Since April 26, 2022) |
| 3. Assoc. Prof. Dr. Sillapaporn Srijunpetch | Member (Since June 30, 2022) |

End of office term

- | | |
|--|--|
| 1. Dr. Kulputra Sirodom | Chairperson (Since January 1 - May 31, 2022) |
| 2. Assoc. Prof. Dr. Angkarat Priebjriwat | Member (Since January 1 - April 25, 2022) |
| 3. Mr. Sathit Aungmanee | Member (Since January 1 - April 25, 2022) |

In May 2022, Dr. Kulputra Sirodom, Chairperson of the Audit Committee, resigned to be director of TISCO Financial Group Public Company Limited. Meanwhile, another two members, Dr. Angkarat Priebjriwat and Mr. Sathit Aungmanee reached the office term of being audit committee members since April 25, 2022. The new appointed Audit Committee members have ongoing performed duties and responsibilities according to the Charter of Audit Committee as delegated by the Board of Directors. The Audit Committee has carried out duties independently and without any restrictions on access to information. The Audit Committee emphasizes that the Company complies with good corporate governance principles namely, performing duties according to the accountability, transparency, fairness, integrity, auditability and check & balance, which will serve the utmost benefits of not only shareholders but also employees and other stakeholders.

The Audit Committee convened 12 meetings in Year 2022 with full attendance of all committee members during their office terms. Major activities performed during the year were as follows:

- **Financial Statements:** Reviewed quarterly and annual financial statements on the appropriateness of the Company's accounting policies used in the preparation of the financial statements and the completeness of information disclosure before the dissemination. The Audit Committee authorized the issuance of the reviewed interim financial information and concurred the audited financial statements and further proposed to the Board of Directors for consideration prior to submitting to the Annual General Meeting for approval. The Audit Committee agreed with the external auditor that the Company's financial statements and the disclosures of relevant information were adequately and fairly presented in accordance with Thai Financial Reporting Standards.
- **Internal Control and Internal Audit:** Reviewed and assessed internal control system and internal audit works as well as considered all issues raised by the external auditor and Internal Audit department, assessed the independence of Internal Audit department and approved the Internal Audit Policy, the Charter of Internal Audit, annual audit plan, strategy, key performance indicators and budget. The Audit Committee also acknowledged the progress and accomplishment of audit plan and evaluated the performance of Internal Audit department.

In year 2022, the Audit Committee jointly reviewed with the Risk Oversight Committee the Risk Assurance Mapping framework which served as tool for assessing the assurance levels of key risks significantly impacted to Company's operations and provided the holistic view of overall assurance levels of enterprise risk management. In addition, the preliminary assessment result of current assurance level which collaboratively assessed by risk oversight functions – 2nd line roles and Internal Audit function – 3rd line roles was also brought into the consideration in the joint meeting together with the improvement plan of relevant functions. The progressive actions of improvement plan were reported to the subsequent Joint Meeting of Audit Committee and Risk Oversight Committee for acknowledgement.

The Audit Committee opined that the Company's internal control system and internal audit function were adequate and effective.

- **Credit Review:** Reviewed and approved annual Credit Review Plan, acknowledged the progress of Credit Review plan and considered issues raised by the Credit Review function. In September 2022, in the Joint Meeting of Audit Committee and Risk Oversight Committee, the oversight responsibilities over the credit review activities were considered. Through the consideration, the Committees jointly agreed that the Risk Oversight Committee shall be delegated as sub-committee to oversee the credit review activities in order to clearly distinguish the oversight responsibilities of the sub-committee over the activities of the 2nd line and 3rd line roles. The delegation of the Board of Directors to the Risk Oversight Committee related to overseeing the Credit Review activities was put in effect since October 26, 2022, onwards.

The Audit Committee opined that the credit transaction process were properly executed in accordance with the determined policies and guidelines and followed through the relevant regulations.

- **Regulatory Compliance:** Acknowledged the Company's compliance activities and status of legal cases and litigations, acknowledged the results of external examinations by the Bank of Thailand and those of other regulators governing TISCO group, and the Company's corrective actions. The Audit Committee opined that the Company properly followed all necessary rules and regulations as imposed by regulatory authorities, and stringently took corrective actions as recommended by the regulators.
- **External Auditor:** Reviewed and assessed the independence of the external auditor as well as the overall scope and key audit matters of the quarter and annual audit, selected and nominated the external auditor to the Board of Directors for further recommendation to the shareholders for approval. Considered the independence, professional proficiency in finance and banking industry, performance, and appropriateness of the audit fee, the Audit Committee proposed the appointment of Ms. Somjai Khunapasut or Ms. Ratana Jala or Ms. Wanwilai Phetsang of EY Office Limited as the Auditors of the Company and its subsidiaries for the Year 2022
- **Transactions with Related Parties and Conflicts of Interests:** Reviewed the revision of Related Party Transaction Policy and assessed related party transactions or transactions that may lead to conflicts of interests and the pricing policy for the transactions to ensure conformity with laws and regulations including acknowledged the audit results in accordance with the Joint Statement Policy which mutually released by the Bank of Thailand and the Securities and Exchange Commission on the business governance of the financial group that involves in fund management business.

The Audit Committee agreed with the external auditor, Internal Audit, and Compliance that the transactions were either conducted in a normal course of business operation or justified for the best interests of the Company. In addition, related disclosures followed through the corporate governance and Related Party Transaction Policy.

- **Risk Management:** Acknowledged the presentation of risk oversight functions on the overall risk profiles of each risk type, capital adequacy, financial risk management, IT risk management, operational and compliance risk management, acknowledged reports on material IT or operational loss events and assessed the causes of such events and the appropriateness of pre-emptive measures to prevent future recurrences. Furthermore, the Audit Committee had a joint meeting with the Risk Oversight Committee to acknowledge overall results of enterprise risk management.

The Audit Committee agreed with the risk oversight functions that the Company has appropriate risk management process and performed in accordance with the determined policies and procedures as well as the relevant regulations.

- **Audit Committee Self-Assessment:** Performed self-assessment by comparing the Audit Committee's activities to the Charter of Audit Committee and relevant laws and regulations. The results revealed that the Audit Committee have carried out duties and responsibilities adequately and effectively according to the Charter of Audit Committee, relevant laws and regulations, and as delegated by the Board of Directors.

- **Others:** The Audit Committee was assigned by the Board of Directors to conduct verification of Self-Assessment on the Anti-Corruption Program in accordance Thai Institute of Directors Checklist in order to join the re-certification for being private organizations which have intents and policy to support the anti-corruption mechanisms. In the year 2022, TISCO Financial Group and its subsidiaries were certified for the third round by Thai Private Sector Collective Action Against Corruption (CAC).

- *Penchun Jarikasem* -

(Ms. Penchun Jarikasem)

Chairperson of the Audit Committee

January 13, 2023

Report of the Executive Board

Appointed by the Board of Directors on April 26, 2022, the Executive Board of TISCO Financial Group Public Company Limited comprised four executive directors who are members of the Executive Board throughout the year 2022:

1. Mr. Sakchai Peechapat	Chairman
2. Mr. Chi-Hao Sun (Howard Sun)	Member
3. Mr. Satoshi Yoshitake	Member
4. Mr. Metha Pingsuthiwong	Member

The Executive Board convened twelve meetings in year 2022 on various matters in accordance with the duties and responsibilities mandated by the Charter of the Executive Board. All meeting results were reported or proposed to the Board of Directors for resolving the resolutions, where applicable, which in summary include:

1. Determined and reviewed TISCO Group business strategy, plan, and budget,
2. Monitored Group business performance including key performance indicators and financial budgets,
3. Instituted, reviewed, and approved TISCO Group's policies on important operational and control areas,
4. Acknowledged TISCO Group's risk profiles, and the activities of the Risk Management Committee including the operational risk, IT risk and Compliance, including the test result of business continuity plan,
5. Reviewed and ratified the activities of the Credit Committee and the Problem Loan Committee,
6. Reviewed and approved major credit and business decisions involving high risk,
7. Approved the revision of members in Credit Committee and Problem Loan Committee,
8. Conducted an annual assessment of the adequacy of the internal control system,
9. Conducted an annual assessment of the Executive Board performance,
10. Annually reviewed the Executive Board Charter,

The Executive Board performed self-assessment by comparing the Executive Board's activities to the Charter of the Executive Board and leading practices and opined that the Executive Board has carried out duties and responsibilities sufficiently and effectively according to the Charter and as delegated by the Board of Directors.

- Sakchai Peechapat -

(Mr. Sakchai Peechapat)

Chairman of the Executive Board

January 30, 2023

Report of the Risk Oversight Committee

During the Year 2022, the Risk Oversight Committee of TISCO Financial Group Public Company Limited was appointed by Board of Directors on April 26, 2022 comprising of members as follows;

1.	Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson
2.	Assoc. Prof. Dr. Vara Varavithya	Member (Since December 9, 2022)
3.	Prof. Dr. Thanaruk Theeramunkong	Member (During April 26 to September 30, 2022)
4.	Dr. Charatpong Chotigavanich	Member (During January 1 to April 25, 2022)
5.	Mr. Sakchai Peechapat	Member
6.	Mr. Chatri Chandrangam	Member

For year 2022, the Risk Oversight Committee (“the Committee”) convened seven meetings on various matters and had two joint meetings with Audit Committee in accordance with the duties and responsibilities mandated by the Charter of the Risk Oversight Committee, and as delegated by the Board of Directors. All meeting results were reported to the Board of Directors, in which all activities throughout the year are summarized as follows;

1. Risk Management Policies, Guidelines, and Risk Appetites

The Committee reviewed the policies, guidelines of risk management as well as risk appetites, and considered them sufficient and effective for implementation for year 2022. The Committee also acknowledged TISCO risk management strategy for year 2022, which focused on active risk management, capital and liquidity sufficiency, prudent operation, sound IT governance and security in promoting business sustainability.

2. Risk Exposures & Key Risk Management Activities

The Committee reviewed TISCO risk exposures, monitoring of key risk indicators and key risk management activities by risk types, comprising of financial risk, operational risk, IT risk and compliance, and considered that all risk exposures were managed in alignment with TISCO risk management policy, strategy, and risk appetites.

In terms of capital and liquidity management, the Committee reviewed the adequacy of capital and liquidity and considered appropriate in line with risk appetites and above the regulatory threshold.

With regards to operational risk, the Committee suggested Operation risk management function to complete operational risk assessment plan for operations of critical supporting functions, and ensure that all aspects of operations have adequate internal control process with complete supported documents. Related guidelines for managing operational risk for all functions shall be regularly reviewed and studied for improvement in operational KRI settings for effective risk management. For IT risk, the Committee emphasized to develop more relevant criteria of likelihood and impact applicable for IT risk management as well as develop more forward-looking perspective in risk assessment. With regards to regulatory compliance, the Committee suggested that both corrective actions and preventive actions should be incorporated in the incident reporting. Furthermore, the Committees recommended Compliance function to discuss with the Internal Audit function to incorporate internal audit issues as well as the Internal Audit’s views when assessing risks and setting compliance KRIs.

3. Sufficiency and Effectiveness of Risk Management

The Committee reviewed the Risk Self-Assessment for year 2022, which covered the evaluation of risk level and risk management quality for all types of risk namely strategic risk, credit risk, market risk, liquidity risk, operational risk, compliance, and IT risk, where the results indicated that the risk level was considered acceptable and associated with good quality of risk management for all types of risk.

The Committee had joint meetings with the Audit Committee to discuss on oversight responsibilities regarding ESG and credit review functions, and exchange views on the sufficiency and effectiveness of overall risk management policies & strategies and risk appetites for year 2022 as well as. The Risk Oversight Committee and Audit Committee considered overall TISCO risk management system, including risk management policy and strategies as sufficient and deemed effective in all aspects. The main recommendation was that risk perspectives of risk management functions should be in alignment with internal audit function to enhance the effectiveness of three-line of defenses.

4. Compliance to laws and regulations

The Committee reviewed the supervisory stress testing for year 2022 covering TISCO's assumptions, assessment framework, results on capital adequacy and liquidity coverage ratios, as well as completeness of the report in accordance with the BOT's requirements. The stress testing was considered as appropriate. The Committee also considered the ICAAP report for year 2021, and recovery plan for year 2022 as appropriate for submission to the Bank of Thailand.

The Bank has cooperated with the Bank of Thailand to assist the debtors affected by COVID-19 in a timely manner. The Committee viewed that the risk classification of debt relief clients was appropriate for risk monitoring and suggested management to closely monitor the situation. For the benefits pass-through from FIDF fee reduction, the Committee reviewed and considered the FIDF pass-through plan and progress for year 2022 as appropriate and the target is achievable by the year-end 2022.

The Committee acknowledged the progress update of Pillar 2 risk assessment framework and suggested the relevant teams to develop leading indicators for better risk assessment. For strategic risk and reputational risk, the Committee suggested Planning and Budgeting function to clearly demonstrate key drivers to achieve TISCO's strategy and goals and identify key causes of variations and action plans when strategy and goals are not achieved.

5. Risk Oversight Committee Self-Assessment

The Committee performed Self-Assessment of the Risk Oversight Committee for year 2022, the results indicated that the Risk Oversight Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Angkarat Priebjivat -

(Assoc. Prof. Dr. Angkarat Priebjivat)

Chairperson of the Risk Oversight Committee

January 31, 2023

Report of the Nomination and Compensation Committee

Appointed by the Board of Directors on April 26, 2022, the Nomination and Compensation Committee of TISCO Financial Group Public Company Limited composes of two non-executive directors and two independent directors as follows.

1. Mr. Sathit Aungmanee	Chairman (Non-Executive Director)
2. Mr. Dung Ba Le	Member (Non-Executive Director)
3. Mr. Kanich Punyashthiti	Member (Independent Director)
4. Ms. PENCHUN Jarikasem	Member (Independent Director)

(Term of service started April 26, 2022)

In addition, Prof. Dr. Pranee Tinakorn performed as the Chairperson during the period of January 1 to April 25, 2022, then Mr. Sathit Aungmanee was appointed as the Chairman of the Nomination and Compensation Committee by the Board of Directors on April 26, 2022.

The Nomination and Compensation Committee has performed their duties as delegated by the Board of Directors which is consistent with the responsibilities in the Charter. The Nomination and Compensation Committee is charged with the responsibility of formulating the compensation policy, selecting and nominating candidates for directorship from various sources, such as from proposal by the Company's shareholders, the director pools maintained by the Thai Institute of Directors Association (IOD) or other recruitment processes deemed appropriate by the Committee by taking into account the Board Skill Matrix which illustrates qualifications and diversified traits in terms of knowledge, competence, experience, and education. The Committee also nominates members of committees with functions, responsibilities and authorities directly given by the Board of Directors, Advisor(s) and Top Management in TISCO and its subsidiary companies and proposing them to the Board of Directors or the Shareholders Meeting for approval in order to preserve an effective and efficient board and management structure and to enhance the good corporate governance of TISCO Group.

In 2022, the Committee convened nine meetings on various matters in accordance with the duties and responsibilities mandated by the Charter of the Committee and as assigned by the Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Reviewed the Guidelines for Board Composition, Nomination and Selection Criteria for TISCO Group, Board skill matrix template, the Remuneration Policy for Directors and Management, and Policy on Assessing the Independence of Directors, to ensure they are appropriate for the laws, regulations and leading practices,
2. Reviewed the appropriate and necessary skills and experiences for the Board of Directors, including the profiles of the candidates for director position, by taking into account the Board Skill Matrix,
3. Recommended number of directors and nominated qualified candidates for director position of the Board of Directors of TISCO Financial Group Plc and TISCO Bank Plc so as to recommend to the Shareholders' Meeting for approval,
4. Reviewed the director remuneration and ensured the remuneration to be commensurate with Directors' responsibilities and performance and benchmarking with the industry, and recommended to the Board to further recommend to the Shareholder's Meeting for approval,
5. Recommended the appointment of Chairman and Vice Chairman of the Board of Directors and other subcommittees namely Executive Board, Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee, and concurred with the change of authorized directors,
6. Nominated and recommended to the Board of Directors for approving the appointment of new directors during the year, in case of replacement,

7. Adopted the board performance assessment toolkits from the Thai Institute of Directors Association (IOD) to suit the characteristics and structure of the Board of Directors, which provided the Board an opportunity to reflect on how well the Board fulfilled its responsibilities and to identify opportunities for continuous improvement that will increase the Board's overall performance and enhance the Board's relationship with management,
8. Acknowledged the assessment results of Board Performance and Director's Independence and proposed to the Board for ratification together with recommendations for the Board performance enhancement,
9. Evaluated the Group Chief Executive's performance with recommendations,
10. Considered the compensation for the Group Chief Executive, including considered and agreed with the Business KPI of TISCO Group proposed by Management to be applied for the Group Chief Executive's performance assessment,
11. Approved the promotion of senior management level of TISCO and the 2022 incentive pay, bonus appropriation for management and staff,
12. Acknowledged the professional development program for Directors and Management and the activities of Human Resources Committee including succession plan for senior management.

The Nomination and Compensation Committee performed self-assessment by comparing the Committee's activities to the Charter of the Nomination and Compensation Committee, relevant laws and leading practices, and opined that the Committee has carried out duties and responsibilities with full effort, carefulness, transparency and independence according to the good corporate governance, as well as conform to the Charter and as delegated by the Board of Directors.

- Sathit Aungmanee -

(Mr. Sathit Aungmanee)

Chairman of the Nomination and Compensation Committee

February 13, 2023

Report of the Corporate Governance Committee

On April 26, 2022, the Corporate Governance Committee of TISCO Financial Group Public Company Limited was appointed by the Board of Directors which comprised of one non-executive and two independent directors as follows.

- | | |
|--|--------------------------------------|
| 1. Assoc. Prof. Dr. Angkarat Priebjrivat | Chairperson (Non-executive Director) |
| 2. Ms. Pongpen Ruengvirayudh | Member (Independent Director) |
| 3. Mr. Kanich Punyashthiti | Member (Independent Director) |

During the period of January 1 to April 25, 2022, Prof. Emeritus. Dr. Teerana Bhongmakapat, the Chairman, and another two members, Dr. Kulpatra Sirodom and Dr. Charatpong Chotigavanich reached the office term of being the committee members.

In 2022, the Committee convened five meetings on various matters in accordance with the duties and responsibilities mandated by the Charter of the Committee and as assigned by the Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Reviewed TISCO Corporate Governance Policy against the Thai Institute of Directors Association (Thai IOD)'s governance practices and boardroom guidelines,
2. Considered the results and recommendations on corporate governance and sustainable development assessments by the Thai IOD, the Thai Investors Association, and the Stock Exchange of Thailand, and recommended enhancements to the Board,
3. Reviewed the alignment and conformance with the SEC CG Code for Listed Companies and found that in 2022, TISCO fully applies all principles in the CG Code without need for further explanation,
4. Reviewed and acknowledged the implementation progress of corporate governance and sustainability including the environmental and social risk assessment,
5. Reviewed and acknowledged the result of material sustainability topics survey mattered to TISCO Group and stakeholders,
6. Acknowledged the Three-year Sustainable Development Roadmap which respond to UN SD Goals and align with TISCO corporate goals, objectives and business directions,
7. Acknowledged the content structure of Sustainability Report prepared in alignment with the reporting principle and standard of disclosures under GRI Standard,
8. Made opinions on the consultation paper of the draft Governance Code issued by the Bank of Thailand,
9. Reviewed the Approval Authority Guidelines and the Group CEO's self-authorized transactions
10. Acknowledged the progress of the anti-corruption recertification plan,

The Corporate Governance Committee performed self-assessment by comparing the Committee's activities to its Charter, and leading practices, and opined that the Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Angkarat Priebjrivat -

(Assoc. Prof. Dr. Angkarat Priebjrivat)
Chairperson of the Corporate Governance Committee
February 10, 2023

Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of TISCO Financial Group Public Company Limited is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, which are based on appropriate accounting policies, consistently applied and practiced, prudent judgment and best accounting estimates. All material information has been sufficiently disclosed in the notes to financial statements. These financial statements also have been made in compliance with the stipulations of the Notification of the Bank of Thailand, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The financial statements have been audited and expressed with unqualified audit opinion by an independent auditor, which reflected fair and transparent financial position and operating performance that is useful information for shareholders and general investors.

The Board of Directors has established effective risk management and internal control systems to ensure that the reliability and completeness of financial information are in place, with the ability to protect the Company's assets, as well as identifying the weaknesses of operation in order to adequately prevent operational risk.

In this regard, the Board of Directors has appointed the Audit Committee, comprising independent directors, to oversee qualitative aspects of financial reporting and internal control systems. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this annual report.

The Board of Directors views that the Company's internal control systems are satisfactory and provide reasonable assurance as to the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries as of December 31, 2022.

- Pliu Mangkornkanok -

(Mr. Pliu Mangkornkanok)

Chairman of the Board

- Sakchai Peechapat -

(Mr. Sakchai Peechapat)

Group Chief Executive

Attachment 9 Independent Auditor's Report, Financial Statement, and Notes to consolidated financial statements

Independent Auditor's Report

To the Shareholders of TISCO Financial Group Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of TISCO Financial Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of TISCO Financial Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowance for expected credit loss on loans to customers

As discussed in Note 3.8 to the financial statements, as at 31 December 2022, the Group had total loans to customers of Baht 220,726 million (accounting for 83% of total assets) and allowance for expected credit loss of Baht 11,845 million, which are material to the financial statements. The method used for calculation of allowance for expected credit loss requires complex calculation modelling, involving the use of significant management judgement and estimates in the model development, the identification of criteria for a significant increase in credit risk since initial recognition, the probability of default, the loss given default, the exposure at default, the calculation of allowance for expected credit loss, the selection of future economic variables to be incorporated into the model and the management overlay adjustment to the allowance for expected credit loss due to limitations of the model. Because of the materiality and the

extent of judgement and estimates as mentioned above, I addressed the adequacy of the allowance for expected credit loss of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relevant to the loan origination and collection processes, the assessment of probability of default, loss given default and exposure at default, as well as the calculation of allowance for expected credit loss on loans to customers, and tested internal control systems over the relevant information technology systems. In addition, I evaluated and tested the reasonableness of the expected credit loss models, the rules and criteria applied by the Group in the assessment of significant increase in credit risk since initial recognition, including the data used in the model design, the effectiveness of models for significant loan types and the governance process over the model development, by examining model development documentation, testing, on a sampling basis, the accuracy and completeness of data used in model development, and assessing the methods and assumptions applied in the calculation. I assessed the reasonableness of macroeconomic factors and probability of different scenario weights as well as the reasonableness of the management overlay adjustments. In addition, I examined the management's policies, which addressed the policies and approaches used to derive the estimation of allowance for expected credit loss, and its approval by management at an appropriate level. I compared accounting policies of the Group with financial reporting standards and rules of the Bank of Thailand, and evaluated the adequacy of the disclosure. Moreover, I examined the allowance for expected credit loss by testing, on a sampling basis, the classification of loans to customers and recalculating the allowance for expected credit loss as at the end of the accounting period, including testing the completeness of data used in the calculation of allowance for expected credit loss.

Recognition of interest income on loans to customers

For the year 2022, the Group recognised interest income on loans to customers amounting to Baht 14,606 million (accounting for 80% of total income), which is considered main income of the Group. The Group recognises interest income using the effective interest rate method, which involves use of management judgement and estimates in the estimation of future cash inflows throughout the expected life of financial instruments, taking into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate. In addition, interest income is generated from various types of loans provided to a large number of customers with a high volume of transactions, and each type of loan is subject to different recognition conditions. I therefore focused my audit on whether interest income on loans to customers is recognised correctly, appropriately and in a timely manner.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of internal controls relating to the processes of loan origination, interest income recognition and loan collection, including relevant internal controls over information technology systems, by inquiring of management to gain an understanding, assessing the methods applied by the management in estimating future cash inflows and the expected life of financial instruments in the determination of effective interest rate, as well as testing, on a sampling basis, the accuracy of data and calculation. In addition, I applied a sampling method in selecting loan agreements to test whether the recording of loans as well as the income recognition complies with the conditions stipulated in the contracts and is adjusted in line with the effective interest rate according to the income recognition policy, and in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand. I also performed analytical procedures on interest income and tested, on a sampling basis, significant adjustments made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 21 February 2023

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Assets					
Cash		1,005,066	1,103,425	70	-
Interbank and money market items - net	3.3, 3.10	40,272,419	30,489,211	27,253	22,584
Financial assets measured at fair value through profit or loss	3.4	2,172,386	2,081,052	954,994	1,048,821
Derivatives assets	3.5	147,489	-	-	-
Investments - net	3.6, 3.10	3,989,884	8,042,759	202,271	202,271
Investments in subsidiaries and joint venture - net	3.7	872,808	809,629	20,069,244	20,069,144
Loans to customers and accrued interest receivables	3.8, 3.10				
Loans to customers		236,240,839	220,419,498	4,290,000	3,310,000
Accrued interest receivables and undue interest income		1,722,316	1,712,501	-	-
Total loans to customers and accrued interest receivables		237,963,155	222,131,999	4,290,000	3,310,000
Less: Deferred revenue		(17,237,040)	(17,469,825)	-	-
Less: Allowance for expected credit loss	3.9	(11,844,732)	(11,740,174)	(5,577)	(4,303)
Total loans to customers and accrued interest receivables - net		208,881,383	192,922,000	4,284,423	3,305,697
Properties foreclosed - net	3.11	6,550	120,522	-	-
Investment properties	3.12	27,058	27,305	910,728	910,728
Premises and equipment - net	3.13	2,786,274	2,780,562	758,081	781,673
Right-of-use assets - net	3.14	753,866	752,829	321	600
Intangible assets - net	3.15	99,603	130,919	62,682	74,171
Deferred tax assets	3.31	830,504	759,729	234,704	255,234
Securities and derivatives business receivables - net		611,384	1,131,229	-	-
Dividend receivables from subsidiaries	3.33	-	-	5,286,999	4,590,530
Other assets	3.16	2,957,763	2,470,763	242,210	199,467
Total assets		265,414,437	243,621,934	33,033,980	31,460,920

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

	Note	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Liabilities and equity					
Liabilities					
Deposits	3.17	188,265,809	166,541,926	-	-
Interbank and money market items	3.18	6,195,459	8,080,700	550,000	565,000
Liabilities payable on demand		256,708	274,432	-	-
Derivatives liabilities	3.5	-	3,385	-	-
Debts issued and borrowings	3.19	15,756,919	14,961,919	7,880,000	6,065,000
Lease liabilities	3.20	700,258	707,179	332	614
Provisions	3.21	1,712,266	1,728,981	287,935	303,612
Securities and derivatives business payables - net		1,246,559	1,521,353	-	-
Accrued interest payable		559,568	481,691	14,528	11,256
Income tax payable		830,031	661,620	-	14,125
Other liabilities	3.22	7,100,237	7,458,365	1,438,918	1,680,799
Total liabilities		222,623,814	202,421,551	10,171,713	8,640,406

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

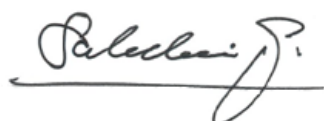
TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

	Note	(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Equity					
Share capital					
Registered					
33,858 preference shares of Baht 10 each		339	339	339	339
800,669,437 ordinary shares of Baht 10 each		8,006,694	8,006,694	8,006,694	8,006,694
		<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up					
9,859 preference shares of Baht 10 each		99	99	99	99
800,645,624 ordinary shares of Baht 10 each		8,006,456	8,006,456	8,006,456	8,006,456
		8,006,555	8,006,555	8,006,555	8,006,555
Share premium					
Share premium on preference shares		-	-	87	87
Share premium on ordinary shares		1,018,408	1,018,408	7,031,436	7,031,436
		1,018,408	1,018,408	7,031,523	7,031,523
Other components of equity	3.24	1,831,007	1,828,088	306,770	307,442
Retained earnings					
Appropriated - statutory reserve		801,000	801,000	801,000	801,000
Unappropriated		31,130,416	29,543,039	6,716,419	6,673,994
Equity attributable to equity holders of the Company		<u>42,787,386</u>	<u>41,197,090</u>	<u>22,862,267</u>	<u>22,820,514</u>
Non-controlling interest of the subsidiaries		3,237	3,293	-	-
Total equity		<u>42,790,623</u>	<u>41,200,383</u>	<u>22,862,267</u>	<u>22,820,514</u>
Total liabilities and equity		<u>265,414,437</u>	<u>243,621,934</u>	<u>33,033,980</u>	<u>31,460,920</u>
		-	-	-	-

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



(Mr. Sakchai Peechapat)
Group Chief Executive




(Mr. Metha Pingsuthiwong)
Chief Operating Officer

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

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

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
Profit or loss:					
Interest income	3.25	14,904,299	14,791,685	72,022	63,367
Interest expenses	3.26	(2,170,667)	(2,331,858)	(65,190)	(43,636)
Net interest income		12,733,632	12,459,827	6,832	19,731
Fee and service income		5,498,917	6,117,752	-	-
Fee and service expenses		(453,268)	(514,989)	(17,902)	(16,964)
Net fee and service income	3.27	5,045,649	5,602,763	(17,902)	(16,964)
Net gain (loss) on financial instruments measured at					
fair value through profit or loss	3.28	86,420	403,826	(93,783)	(134,315)
Net gain on investments	3.29	2,801	6,283	10	-
Share of profit from investments accounted for					
under equity method	3.7.2	55,476	7,216	-	-
Dividend income	3.7.1	72,978	69,609	5,298,782	4,594,553
Penalty fee income from loans		186,472	173,927	-	-
Intercompany supporting fee income	3.33	-	-	2,131,000	2,108,928
Other operating income		121,354	99,863	82,191	77,905
Total operating income		18,304,782	18,823,314	7,407,130	6,649,838
Operating expenses					
Employee expenses		6,103,734	5,727,009	714,866	1,057,868
Directors' remuneration		21,597	20,002	21,597	20,002
Premises and equipment expenses		1,365,358	1,338,717	744,136	682,543
Taxes and duties		260,450	243,281	2,295	2,165
Other operating expenses		839,705	937,569	60,596	72,687
Total operating expenses		8,590,844	8,266,578	1,543,490	1,835,265
Expected credit loss	3.30	722,677	2,063,979	4,264	10,101
Profit from operations before income tax expenses		8,991,261	8,492,757	5,859,376	4,804,472
Income tax expenses	3.31	1,766,722	1,707,764	113,167	43,548
Total profit for the year		7,224,539	6,784,993	5,746,209	4,760,924

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2022

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

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Gain (loss) on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(1,417)	(4,583)	-	4,607
Share of other comprehensive income of joint venture -					
Cash flow hedges of joint venture (loss)	3.7.2	7,703	(2,512)	-	-
Income tax effects	3.31	283	917	-	(921)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		6,569	(6,178)	-	3,686
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods</i>					
Actuarial gain (loss)		104,391	3,979	24,974	(20,281)
Income tax effects	3.31	(20,939)	(953)	(4,995)	4,056
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax (loss)		83,452	3,026	19,979	(16,225)
Other comprehensive income for the year (loss)					
		90,021	(3,152)	19,979	(12,539)
Total other comprehensive income for the year					
		7,314,560	6,781,841	5,766,188	4,748,385
Profits attributable to					
Equity holders of the Company	3.32	7,224,078	6,784,593	5,746,209	4,760,924
Non-controlling interests of the subsidiaries		461	400		
		7,224,539	6,784,993		
Total comprehensive income attributable to					
Equity holders of the Company		7,314,099	6,781,441	5,766,188	4,748,385
Non-controlling interests of the subsidiaries		461	400		
		7,314,560	6,781,841		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	3.32	9.02	8.47	7.18	5.95

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Cash flows from operating activities				
Profit from operations before income tax	8,991,261	8,492,757	5,859,376	4,804,472
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	534,273	592,479	103,377	118,500
Expected credit loss	3,199,323	3,718,818	4,264	10,101
Share of profit from investments accounted for under equity method	(55,476)	(7,216)	-	-
Reversal of allowance for impairment of properties foreclosed	(191)	(5)	-	-
Gain on disposal of investments in securities	(760)	(607,601)	-	-
Unrealised gain on foreign exchange transactions and trading derivatives	(243,235)	(155,857)	(39,603)	(86,307)
(Gain) loss on financial instruments measured at fair value through profit or loss	(51,776)	306,669	133,386	220,622
Loss on changes in value of investment properties	247	29	-	-
Gain on disposal/write-off of equipment and intangible assets	(10,020)	(3,266)	(5,483)	(1,156)
Gain on disposal of properties foreclosed	(48,343)	(48,345)	-	-
Employee benefit expenses	129,291	132,576	16,054	21,786
(Increase) decrease in accrued income	(25,691)	(28,122)	785	5,606
Increase (decrease) in accrued expenses	138,617	(196,846)	(223,258)	52,944
Net interest income	(12,733,632)	(12,459,827)	(6,832)	(19,731)
Dividend income	(72,978)	(69,609)	(5,298,782)	(4,594,553)
Cash received on interest income	14,599,222	14,696,962	69,023	61,738
Cash paid on interest expenses	(1,622,362)	(2,096,139)	(61,908)	(33,392)
Cash received on dividend income	72,978	69,609	4,602,313	3,848,977
Cash paid on income tax	(1,714,250)	(1,535,529)	(133,739)	(88,791)
Profit from operating activities before changes in operating assets and liabilities	11,086,498	10,801,537	5,018,973	4,320,816
Operating assets (increase) decrease				
Interbank and money market items	(9,777,682)	7,723,466	(4,660)	(5,193)
Loans to customers	(19,058,956)	18,266,553	(980,000)	(130,000)
Securities and derivatives business receivables	519,845	(73,049)	-	-
Receivables from clearing house	(244,556)	(104,541)	-	-
Properties foreclosed	130,191	(106,350)	-	-
Other assets	-233,317	-114,895	-21,334	-16,253

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Operating liabilities increase (decrease)				
Deposits	21,723,883	(36,930,899)	-	-
Interbank and money market items	(1,885,241)	2,273,054	(15,000)	(3,215,000)
Liabilities payable on demand	(17,724)	(1,010,333)	-	-
Securities and derivatives business payables	(274,794)	488,312	-	-
Short-term debts issued and borrowings	1,815,000	2,116,000	1,815,000	4,436,000
Payables to clearing house	186	(309,866)	-	-
Provision for long-term employee benefits	(49,644)	(77,481)	(6,757)	(30,196)
Other liabilities	(654,442)	(4,036)	(18,623)	24,338
Net cash flows from operating activities	3,079,247	2,937,472	5,787,599	5,384,512
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(17,657,471)	(12,166,216)	-	(293,082)
Cash received from disposal of investments in securities	21,752,316	14,512,470	-	-
Cash paid for purchase of building improvements, equipment and vehicles	(205,801)	(74,396)	(46,669)	(28,864)
Cash paid for purchase of intangible assets	(25,486)	(30,794)	(21,348)	(19,445)
Cash received from disposal of building improvements, equipment and vehicles	10,498	4,611	5,483	1,189
Cash paid for acquisition of investments in subsidiaries	-	-	(100)	(1)
Net cash flows from (used in) investing activities	3,874,056	2,245,675	(62,634)	(340,203)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	2,800,000	700,000	-	-
Cash paid for redemption of long-term debentures	(3,820,000)	(680,000)	-	-
Cash paid on lease liabilities	(307,059)	(275,842)	(292)	(292)
Dividend paid	(5,724,603)	(5,044,087)	(5,724,603)	(5,044,087)
Net cash flows used in financing activities	(7,051,662)	(5,299,929)	(5,724,895)	(5,044,379)
Net increase (decrease) in cash	(98,359)	(116,782)	70	(70)
Cash at beginning of the year	1,103,425	1,220,207	-	70
Cash at end of the year	1,005,066	1,103,425	70	-
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	288,842	136,945	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	1,675,498	2,342,967	-	-

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements												
	Equity attributable to equity holders of the Company												
	Other components of equity						Total	Retained earnings		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of		
	Issued and paid-up		Share premium on ordinary shares	Surplus on other comprehensive income measured at fair value through	Surplus on revaluation of assets	Share of other comprehensive income of joint venture (loss)		Adjustment from business combination of entities under common control restructuring plan	Appropriated		Unappropriated	the subsidiaries	Total
	Preference shares	Ordinary shares											
Balance as at 1 January 2021	99	8,006,456	1,018,408	5,871	1,157,138	(4,358)	679,266	1,837,917	801,000	27,795,056	39,458,936	3,143	39,462,079
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)	-	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	-	6,784,593	6,784,593	400	6,784,993
Other comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	3,026	(3,152)	-	(3,152)
Total comprehensive income for the year (loss)	-	-	-	(3,666)	-	(2,512)	-	(6,178)	-	6,787,619	6,781,441	400	6,781,841
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,651)	-	-	(3,651)	-	4,451	800	-	800
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(250)	(250)
Balance as at 31 December 2021	99	8,006,456	1,018,408	2,205	1,153,487	(6,870)	679,266	1,828,088	801,000	29,543,039	41,197,090	3,293	41,200,383
Balance as at 1 January 2022	99	8,006,456	1,018,408	2,205	1,153,487	(6,870)	679,266	1,828,088	801,000	29,543,039	41,197,090	3,293	41,200,383
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	-	(5,724,603)	(5,724,603)	-	(5,724,603)
Profit for the year	-	-	-	-	-	-	-	-	-	7,224,078	7,224,078	461	7,224,539
Other comprehensive income for the year (loss)	-	-	-	(1,134)	-	7,703	-	6,569	-	83,452	90,021	-	90,021
Total comprehensive income for the year (loss)	-	-	-	(1,134)	-	7,703	-	6,569	-	7,307,530	7,314,099	461	7,314,560
Transfer surplus on revaluation of assets													
to retained earnings	-	-	-	-	(3,650)	-	-	(3,650)	-	4,450	800	-	800
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(517)	(517)
Balance as at 31 December 2022	99	8,006,456	1,018,408	1,071	1,149,837	833	679,266	1,831,007	801,000	31,130,416	42,787,386	3,237	42,790,623

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

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of changes in equity (continued)

For the year ended 31 December 2022

(Unit: Thousand Baht)

	Separate financial statements									
					Other components of equity			Retained earnings		
	Issued and paid-up		Share premium		Surplus (deficit) on changes in value of investments		Total			Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	measured at fair value through other comprehensive income	Surplus on revaluation of assets		Appropriated	Unappropriated	
Balance as at 1 January 2021	99	8,006,456	87	7,031,436	(1,229)	305,659	304,430	801,000	6,972,541	23,116,049
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(5,044,087)	(5,044,087)
Profit for the year	-	-	-	-	-	-	-	-	4,760,924	4,760,924
Other comprehensive income for the year (loss)	-	-	-	-	3,686	-	3,686	-	(16,225)	(12,539)
Total comprehensive income for the year	-	-	-	-	3,686	-	3,686	-	4,744,699	4,748,385
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(674)	(674)	-	841	167
Balance as at 31 December 2021	99	8,006,456	87	7,031,436	2,457	304,985	307,442	801,000	6,673,994	22,820,514
Balance as at 1 January 2022	99	8,006,456	87	7,031,436	2,457	304,985	307,442	801,000	6,673,994	22,820,514
Dividend paid (Note 4)	-	-	-	-	-	-	-	-	(5,724,603)	(5,724,603)
Profit for the year	-	-	-	-	-	-	-	-	5,746,209	5,746,209
Other comprehensive income for the year	-	-	-	-	-	-	-	-	19,979	19,979
Total comprehensive income for the year	-	-	-	-	-	-	-	-	5,766,188	5,766,188
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	(672)	(672)	-	840	168
Balance as at 31 December 2022	99	8,006,456	87	7,031,436	2,457	304,313	306,770	801,000	6,716,419	22,862,267

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

TISCO Financial Group Public Company Limited and its subsidiaries**Notes to consolidated financial statements****For the year ended 31 December 2022****1. Basis for preparation and presentation of financial statements and significant accounting policies****1.1 Basis for preparation of financial statements**

The financial statements for the year ended 31 December 2022 have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and with reference to the regulations stipulated by the Bank of Thailand ("BOT"). The presentation of the financial statements has been made in compliance with the BOT's Notification No. Sor Nor Sor. 21/2561 regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", dated 31 October 2018.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is impacting various businesses and industries both directly and indirectly. This situation could create uncertainties and may be impacting the operating results and cash flows in the future. However, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in various matters in order to continuously assess the impact as the situation evolves.

1.3 Basis of consolidation

- a) The consolidated financial statements of TISCO Group include the financial statements of TISCO Financial Group Public Company Limited ("the Company") and its subsidiary companies ("the subsidiaries") (collectively as "the Group") as mentioned in Note 3.1 to the financial statements.
- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, from the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared for the same reporting period and using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

1.4 Separate financial statements

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

1.5 New financial reporting standards

1.5.1 Financial reporting standards that became effective in the current year

During the year 2022, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

1.5.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

1.5.3 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Group may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C. 802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

- a) Debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1). For this type of debt restructuring, the Group may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions, whereby:
- Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.
 - Loans are classified as loans with significant increase in credit risk (Under-performing or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due, counting from the due date.

- A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
- b) Debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2). For this type of debt restructuring, the Group is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. However, the Group may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C. 802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

For both types of assistance, the Group may determine expected credit loss based on the outstanding balance of the drawn down portion only.

In addition, for debtors whose debt is restructured between 1 January 2021 and 31 December 2021, in accordance with the above clauses no. a) and b), the guidelines on staging assessment and provisioning under this accounting guidance apply from 1 January 2022 to 31 December 2023.

During the year ended 31 December 2022, the Group provided both types of assistance to debtors. However, it has elected to comply with the staging assessment and the setting aside of provisions in accordance with the relevant financial reporting standards, and has only adopted treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT as mentioned above to assess whether a debtor is to move to under-performing stage or Stage 2 only for some types of loans.

1.6 Significant accounting policies

1.6.1 Revenue and expenses recognition

a) Interest income and discounts on loans

The Group recognises interest on loans on an accrual basis, using the effective interest rate method, applied to the outstanding principal amount. The effective interest rate is the discount rate that estimates future cash flows over the expected life of the financial instrument to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

For hire purchase receivables, fee income, commissions and direct expenses incurred at the initiation of hire purchase are recognised over time using the effective interest rate method, and are presented as deductions from interest income on hire purchase over the contract term in order to reflect the effective rate of return of the contract.

Deferred revenue on hire purchase is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

For loans to customers that are later credit-impaired, the Group recognises interest income using the effective interest rate method applied to the net carrying value of the loan (the loan amount net of allowance for expected credit loss). Subsequently, if the financial asset is no longer credit-impaired, the Group reverts to calculating interest income on a gross carrying amount.

b) Gain (loss) on financial instruments measured at fair value through profit or loss

Gain (loss) on financial instruments measured at fair value through profit or loss consists of gain (loss) on trading and foreign exchange transactions, gain (loss) on changes in fair value of derivatives and financial assets measured at fair value through profit or loss, and gain (loss) on sales of financial assets measured at

fair value through profit or loss and derivatives, which the Group recognises as income or expenses on the transaction date.

c) Interest and dividend on investments in securities

Interest on investments is recognised as income on an accrual basis. Dividend on investments is recognised as income when the right to receive the dividend is established.

d) Brokerage fees

Brokerage fees on securities and derivatives trading are recognised as income on the transaction date.

e) Fee and service income

Fee and service income is recognised as income on an accrual basis except fee income that is an integral part of the effective interest rate.

f) Incentive fee income on fund management

The subsidiary operating an asset management business recognises incentive fee income, which arises when the annual returns of funds that the company is managing exceeds the threshold for the performance of the fund, as revenue when it is certain that the income has occurred.

g) Interest expenses

Interest expenses are recognised on an accrual basis using the effective interest rate method.

h) Fee and service expenses and other operating expenses

Fee and service expenses and other operating expenses are recognised on an accrual basis.

1.6.2 Securities purchased under resale agreements according to private repurchase transactions

The subsidiary operating a banking business has purchased securities under resale agreements according to private repurchase transactions, which stipulate definite dates, terms and prices. Amounts paid for the securities purchased under resale agreements are presented under the caption of "Interbank and money market items - net" in the statement of financial position, and the securities purchased are used as collateral.

Under securities purchased under resale agreements according to private repurchase transactions, the subsidiary obtains securities under resale agreements as collateral securities on terms which permit it to repledge or resell the securities to others.

1.6.3 Financial assets

Financial assets - Debt instruments

The Group classifies its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets, based on the facts and circumstances as of the date these financial reporting standards were initially adopted or the acquisition date. Classifications are as follows:

a) Financial assets measured at fair value through profit or loss

Investments in debt instruments held within a business model whose objective is not to hold financial assets in order to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

b) Financial assets measured at fair value through other comprehensive income

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at fair value through other comprehensive income. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on changes in fair value is presented as a separate item in other comprehensive income until disposal. Gain or loss on disposal of the instruments are recognised in profit or loss. Expected credit loss and interest income calculated using the effective interest rate method are recognised in profit or loss.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statement of financial position at fair value.

c) Financial assets measured at amortised cost

Investments in debt instruments whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group recognises these as financial assets measured at amortised cost. These financial assets are initially recognised at fair value.

At the end of reporting period, investments in debt instruments measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

Financial assets - Equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Group classifies investments in equity instruments as financial assets measured at fair value through profit or loss.

After initial recognition, unrealised gain or loss on subsequent changes in fair value of investments is recognised in profit or loss. Dividends on these investments are recognised in profit or loss.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at fair value.

Recognition

Purchases and sales of investments are recognised on the settlement date. The weighted average method is used for computation of investment cost.

Changes in classification of investments in debt instruments

When there are changes in the Group's business model for management of financial assets, the Group has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

1.6.4 Classification and measurement of financial liabilities

The Group classifies and measures its financial liabilities at amortised cost, except for derivatives liabilities which are measured at fair value through profit or loss.

1.6.5 Investments in receivables purchased or transferred in

The Group classifies investments in receivables purchased or transferred in as financial assets measured at amortised cost which are initially recognised at acquisition cost. At the end of reporting period, these investments in receivables are presented in the statement of financial position at amortised cost net of allowance for expected credit loss (if any).

1.6.6 Investments in subsidiaries and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method. Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

1.6.7 Loans to customers

Loans to customers are stated at the principal balance, excluding accrued interest receivables. Unrecognised deferred revenue/discounts on loans to customers are presented as deductions from loans to customers.

Hire purchase receivables are stated at outstanding balance, net of deferred revenue. Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of hire purchase.

1.6.8 Allowance for expected credit loss on financial assets

The Group applies the General Approach to calculate allowance for expected credit loss on its financial assets, such as deposits at financial institutions, investments in debt instruments measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loans to customers and accrued interest receivables, securities and derivatives business receivables, receivables from clearing house, and committed credit lines.

The Group classifies financial assets into three groups (Three-stage approach) in order to measure the allowance for expected credit loss, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

Group 1: Financial assets with no significant increase in credit risk (Performing)

For financial assets with no significant increase in credit risk since the initial recognition date, the Group recognises allowance for expected credit loss at an amount equal to 12-month expected credit loss. For financial assets with maturity of less than 12 months, the Group uses a probability of default that corresponds to remaining terms of the contract.

Group 2: Financial assets with significant increase in credit risk (Under-performing)

For financial assets with significant increase in credit risk since the initial recognition date but that are not credit-impaired, the Group recognises the allowance for expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial asset.

Group 3: Financial assets that are credit-impaired (Non-performing)

Financial assets are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets occur. The Group recognises the allowance for expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets.

At the end of each reporting period, the Group assesses whether the credit risk of financial assets has increased significantly since the initial recognition date, by comparing the risk of expected default on the financial assets as at reporting date with the risk of default as at the initial recognition date. The Group uses internal quantitative and qualitative bases and forward-looking information as a basis for assessing a decrease in credit quality, such as debtors overdue for more than 30 days or credit rating. Evaluations of whether credit risk has increased significantly since the initial recognition date may be conducted individually or collectively for groups of financial assets.

Loans to customers are considered to be credit-impaired when one or more events occur affecting the estimated future contractual cash flows of the counterparties. Evidence that financial assets are credit-impaired includes being overdue for more than 90 days or indications that debtors are facing significant financial difficulties, breaches of contract, the legal status, renegotiation of terms of repayment or debt restructuring.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-month expected credit loss.

When the terms of repayment of a loan to customer are renegotiated or the terms of the contractual cash flow are modified because the debtors are in financial difficulty, the loan is considered to be a financial asset with a significant increase in credit risk or credit-impaired, unless there is evidence that the risk that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

In addition, during the year 2021, the Group adopted the accounting guidance in determining the staging and the provisioning of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars, as described in Note 1.6.28 to the financial statements. For the year 2022, the Group has only adopted treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C. 802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2 for some types of loans, as described in Note 1.6.28 to the financial statements.

Expected credit loss is the probability-weighted estimate of expected credit loss over the lifetime of a financial instrument, taking into account the present value of all cash flows that are expected not to be recoverable. This is determined with reference to historical loss experience data grouped by asset on the basis of shared credit risk characteristics, taking into account type of loan, type of collateral, months on books, and other relevant factors, adjusted for current observable data, as well as forward-looking information that is supportable and reasonable, provided it can be shown to be statistically related. It also involves the appropriate exercise of judgement to estimate the amount of expected credit loss, using current macroeconomic data. The Group determines both current and future economic scenarios, and probability-weights each scenario (base scenario, upturn scenario, downturn scenario and stress scenario) for the purpose of calculating expected credit loss. Use of forward-looking data increases the degree of judgement required in evaluating how relevant macroeconomic changes affect expected credit loss. However, the Group has established a process to review and monitor the methodologies, assumptions and forward-looking macroeconomics scenarios on a regular basis. In addition, expected credit loss also includes a management overlay.

For financial assets that are credit-impaired upon initial acquisition (investments in receivables purchased or transferred in), the Group measures allowance for expected credit loss at an amount equal to the outstanding receivable balance because it does not expect to receive cash flows from these receivables.

The measurement of expected credit loss on loan commitments is the present value difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the

Group expects to receive. The measurement of expected credit loss for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Group expects to recover.

The increase (decrease) in an allowance for expected credit loss is recognised as an expense in profit or loss in the statement of comprehensive income. The Group has a policy to write off receivables when they are identified as bad debts.

The Group considers using the Simplified Approach to determine allowance for expected credit loss over a lifetime for accrued fee and service income and other receivables.

1.6.9 Financial assets with modifications of terms/Debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Group assesses whether to derecognise the financial asset and measures the expected credit loss, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Group calculates the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

If the debt restructuring does not meet the criteria for derecognition as of the restructuring date, the debtor continues to be classified as a financial asset with a significant increase in credit risk (Stage 2) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period; or continues to be classified as a financial asset that is credit-impaired (Stage 3) until the debtor has been able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period, before being able to be reclassified as a financial asset with a significant increase in credit risk (Stage 2), and if the debtor is able to make payment for additional 9 consecutive months or installments, it can be reclassified as a financial asset with no significant increase in credit risk (Stage 1).

If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

However, for debtors which the Group provided assistance to during the years 2020 - 2021 in accordance with measures as specified in the circulars of the BOT, the Group did not consider whether modification of terms resulted in derecognition, but in cases where the existing effective interest rate did not reflect the estimated cash flows that were expected to be recoverable, it applied a newly calculated effective interest rate to determine the present value of the restructured loans. The Group was allowed to recognise interest income on the basis of this new effective interest rate during the grace period, as described in Note 1.6.28 to the financial statements.

1.6.10 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net balance of securities business receivables and derivatives business receivables, after deducting allowance for expected credit loss. Securities business receivables comprise the net receivable balances of cash accounts, securities borrowing and lending receivables, guaranteed deposit receivables and other receivables such as securities receivables that are subject to legal proceeding, undergoing restructuring or settling in installments.

1.6.11 Receivables from/Payables to clearing house

Receivables from/payables to clearing house comprise the net balance of amount receivable from/payable to Thailand Clearing House in respect of settlements for securities trades and derivatives instruments including cash pledged with Thailand Clearing House as collateral for derivatives trading, and the net balance of amount receivable from/payable to overseas securities companies in respect of securities trades settled through overseas securities companies.

1.6.12 Recognition and derecognition of customers' deposits

Cash which customers have placed with a subsidiary operating a securities business in cash accounts for securities trading and derivatives trading is recorded as an asset of the subsidiary for the customers' position for internal control purposes. At the financial statement of financial position date, the subsidiary does not present those amounts as its assets and liabilities but presents only those assets which belong to the subsidiary.

1.6.13 Borrowing and lending of securities

A subsidiary operating a securities business is engaged in securities borrowing and lending transactions, whereby the subsidiary acts as an agent through agreements made with borrowers and lenders of securities.

The subsidiary records its obligations to return borrowed securities which it has lent as "Securities borrowing payables" and securities lent to customers are recorded as "Securities borrowing receivables" in the statement of financial position. At the end of the reporting period, the balances of securities borrowing payables and securities borrowing receivables are adjusted based on the latest offer price quoted on the Stock Exchange of Thailand on the last working day of the year. Gain or loss arising from such adjustments is included in profit or loss in the statement of comprehensive income. The subsidiary records cash paid or received as collateral for securities borrowing and lending as "Guarantee deposit receivables" or "Guarantee deposit payables". Fees from borrowing and lending are recognised on an accrual basis over the lending term.

1.6.14 Properties foreclosed

Properties foreclosed represents assets transferred in respect of receivables on which the debtors have defaulted or restructured receivables.

At the end of reporting period, the value of properties foreclosed is stated at the lower of cost or net realisable value. Net realisable value is determined at the market value or the appraisal value less estimated selling expenses. In addition, the subsidiary operating a banking business is required to record additional allowance for impairment of properties foreclosed in accordance with the notifications of the BOT.

The Group recognises loss on impairment in profit or loss. Gain or loss from disposal of properties foreclosed is recognised in profit or loss in the statement of comprehensive income upon disposal.

1.6.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Any gain or loss arising from changes in the fair value is recognised in profit or loss when incurred.

The difference between the net disposal proceed and the carrying amount of the asset is recognised in profit or loss in the year in which the asset is derecognised.

1.6.16 Premises and equipment/Depreciation

Land is stated at cost. Buildings, office condominiums and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Office condominiums are initially recorded at cost on the acquisition date, subsequently revalued by an independent professional appraiser, and then recorded at revalued amount. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of the revaluation of the Group's assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of the revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus on revaluation of assets is amortised to retained earnings on a straight-line basis over the remaining life of the related assets. The revaluation surplus which is transferred to retained earnings is the difference between the depreciation calculated on book value of the revalued assets and the depreciation calculated on original cost of the assets. The revaluation surplus can neither be offset against deficit nor used for dividend payment.

Depreciation of buildings, office condominiums, and equipment is calculated by reference to their cost or revalued amount on the straight-line basis (except for the depreciation of communications equipment, which is calculated using the sum-of-the-year-digits method over estimated useful lives of 3 years) over the following estimated useful lives:

Buildings	-	20	years
Office condominiums	-	30	years
Office improvements	-	5, 15	years
Furniture, fixtures and equipment	-	5	years
Motor vehicles	-	6	years

Depreciation attributed to the original cost portion and the revaluation portion is included in determining income.

No depreciation is provided on land and assets under installation.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised. Remaining surplus on revaluation of assets as at the date of derecognition is directly transferred to retained earnings.

1.6.17 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease, the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments. The Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, accumulated impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of the estimated useful lives and the lease term, as follows:

Land and buildings	-	1 - 20	years
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Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the year in which the event or condition that triggers the payment occurs.

The Group discounts the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments, or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term of less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

1.6.18 Intangible assets

The Group initially recognises intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Group amortises intangible assets with finite lives on a straight-line basis over the economic useful life and tests for impairment whenever there is an indication that the intangible assets may be impaired. The Group reviews the amortisation period and the amortisation method of such intangible assets at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are software license fees that the Group amortises over the following estimated useful lives:

The license agreements with specified number of years of usage	-	according to the period of license agreement
The license agreements with no specified number of years of usage	-	5 years
No license agreements	-	5 years

1.6.19 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred tax assets/liabilities are recognised for temporary differences between the tax bases of assets and liabilities and their carrying amounts as at the end of reporting period. They will be realised as tax income or tax expense when the income is realised, or the expenses provided for are actually incurred and considered deductible for income tax purposes.

The Group recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which such deductible deferred tax assets can be utilised. The Group recognises deferred tax liabilities for all taxable temporary differences.

The Group records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

At the end of each reporting period, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

1.6.20 Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that a non-financial asset may be impaired. If any indication exists, an impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. Fair value less costs to sell reflects the amount that the Group could obtain from the disposal of the asset on the statement of financial position in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in profit or loss. However, in cases where assets were previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment, if there is any indication that a previously recognised impairment loss may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. The previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised immediately in profit or loss in the statement of comprehensive income.

1.6.21 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Group has transferred substantially all risks and rewards of ownership. If the Group neither transfers nor retains substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Group continues to recognise the financial assets to the extent of its continuing involvement.

Financial liabilities are derecognised when they are extinguished e.g. when the obligation specified in the contract is discharged, cancelled or expired.

1.6.22 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the reference rates announced by the BOT at the end of each reporting period.

Gain and loss on exchange is included in determining income.

1.6.23 Employee benefits

a) Short-term employee benefits

The Group records salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Apart from the annual bonus portion of bonus expenses which is remuneration for employees' annual performance that is paid in cash, the Group also has another portion of bonus expenses which is paid in cash with reference to the Company's share price. The Group records this portion of expenses and related accrued bonus over the service period of those employees, counting from the grant date. It is recorded based on the average daily share price from the grant date to the end of reporting period, and any increase or decrease in the expenses according to changes in the share price is recognised in order to reflect the fair value of accrued bonus liability at the end of each reporting period, until the bonuses are settled.

b) Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by the employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plans, namely long service awards.

The obligation under the defined benefit plan is determined by the Group based on actuarial techniques.

Actuarial gain or loss arising from post-employment benefits is recognised immediately in other comprehensive income.

Actuarial gain or loss arising from other long-term benefits is recognised immediately in profit or loss.

1.6.24 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

1.6.25 Derivatives

Derivatives are initially recognised at fair value on the trade date and are classified as trading. Derivatives are subsequently remeasured at fair value. Subsequent changes are recognised as net gain (loss) on financial instruments measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on the market price, or a formula which is generally accepted in cases where there is no market price.

1.6.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement 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.

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

1.6.27 Financial instruments

a) Financial risk management

The financial risks associated with these financial instruments and how they are managed is described in Note 3.37 to the financial statements.

b) Fair value of financial instruments

In determining the fair value of financial instruments, the estimated fair value will be adjusted by allowance for expected credit loss with respective risk. For financial instruments with duration of one year or less, the book value represents a reasonable estimate of fair value. For financial instruments with duration of greater than one year, fair value is determined based on the quoted market prices, where available, or otherwise based on present value of contractual cash flows, discounted using the rate used for financial instruments with similar features.

The methods used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturities or carry interest at rates approximating the market rate, including cash, interbank and money market items (assets), securities and derivatives business receivables, receivables from clearing house, fee and service receivables, other receivables, deposits, interbank and money market items (liabilities), liabilities payable on demand, securities and derivatives business payables and payables to clearing house, and accrued

insurance premium, the carrying amounts in the statement of financial position approximate their fair value.

- For investments in marketable equity securities, their fair value is stated based on the latest bid price at the end of last working day of the year as quoted by the Stock Exchange of Thailand, or based on discounted future cash flows and/or book value of the investees for investments in non-marketable equity securities.
- Government and state enterprise securities and private debt securities are stated at fair value which is determined using yield rates quoted by the Thai Bond Market Association.
- Unit trusts are stated at fair value based on their net asset value at the end of reporting period.
- Loans to customers and accrued interest receivables, except for hire purchase receivables and other retail loans, are presented at fair value which is estimated from balance of loans to customers and accrued interest receivables as stated in the financial statements less allowance for expected credit loss, since most loans to customers carry interest at floating rates. Fair value of hire purchase receivables and other retail loans is calculated from the present value of future cash inflows, discounted by the current interest rate for new loans less allowance for expected credit loss.
- The fair value of debts issued and borrowings is estimated by discounting expected future cash outflows by the current market interest rates of the borrowings with similar terms and conditions.
- For derivatives, their fair value is 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. The Group has considered the counterparty's credit risk when determining the fair value of derivatives.

1.6.28 Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy

During the year 2020, The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the BOT No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the BOT. The Accounting Guidance is effective for entities providing assistance to debtors impacted by the aforementioned situations during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entities are to comply. The guidance applies to large-sized debtors, small and medium-sized debtors, and retail debtors who have the ability to run a business or to repay debts in the future and have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

The Group has entered into the scheme to provide assistance to affected debtors in accordance with the BOT's guideline. For the debtors who meet the conditions under the temporary relief measures, the Accounting Guidance can be applied as follows:

- (1) For the provision of assistance to loans that are not yet non-performing (Non-NPL), the Group classifies them as loans with no significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring and the debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring.
- (2) For the provision of assistance to non-performing loans (NPL), the Group classifies them as performing loans if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- (3) Additional working capital loans provided to a debtor in order to increase liquidity and enable the debtor to continue its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support repayment or if, considering other factors, the debtor has the ability to pay the debt.
- (4) The guidelines of the BOT relating to assessment of whether there has been a significant increase in credit risk are applied to assess whether a debtor is moving to Stage 2.
- (5) Expected credit loss is determined based on the outstanding balance of the drawn down portion only.
- (6) If the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan, the Group applies a newly calculated effective interest rate to determine the present value of loans that have been restructured and recognises interest income on the basis of this new effective interest rate during the grace period, or in accordance with the BOT's new guidelines if there are changes.
- (7) In determining expected credit loss, consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience.

In addition, the BOT issued the circular of the BOT No. BOT.RPD.(01)C. 648/2563 "Measures to provide additional assistance to small-sized debtors during the COVID-19 situation - Phase 2" dated 19 June 2020, and the circular of the BOT No. BOT.DRU.C. 480/2564 "Measures to provide assistance to small-sized debtors during the Coronavirus 2019 (COVID-19) situation - Phase 3" dated 14 May 2021, in order to provide additional assistance to debtors.

1.6.29 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets and liabilities, the management is required to make judgement on whether significant risks and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Allowance for expected credit loss on financial assets

The management is required to use judgement in estimating the allowance for expected credit loss on financial assets. The estimation relies on a complex model, a dataset of assumptions, model development and assessments related to the increase in credit risk, as well as the selection of forward-looking information, which involves a large number of variables. Therefore, actual results could differ from these estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of both the Group and the counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Investment properties

The Group presents investment properties at the fair value estimated by an internal appraiser of TISCO Bank, and recognises changes in the fair value in profit or loss. The appraiser valued the investment properties using the market approach. The key assumptions used in estimating the fair value are described in Note 3.12 to the financial statements.

Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful life and residual value of buildings and equipment and to review estimated useful life and residual value when there are any changes.

The Group measures office condominiums at revalued amounts. Such amounts are determined by the independent appraiser using the market approach. The valuation involves certain assumptions and estimates as described in Note 3.13 to the financial statements.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Leases

In determining lease terms, the management is required to use judgement to assess whether the Group is reasonably certain to exercise options to extend the terms of leases or to cancel the leases, taking into account all relevant facts and circumstances that create economic incentives for the Group to exercise or not to exercise such options.

In addition, the management is required to exercise judgement in estimating the incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax loss to the extent that it is probable that taxable profits will be available against which the temporary differences and loss can be

utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plans and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate, and staff turnover rate.

Litigation

The Group has contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of the reporting period.

2. General information

2.1 The Company's information

TISCO Financial Group Public Company Limited ("the Company") is a holding company and 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 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until such reserve reaches 10 percent of its registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

2.3 Directors' remuneration

Directors' remuneration represents the benefits paid to the Group's directors in accordance with Section 90 of the Public Limited Companies Act, exclusive of salaries and related benefits payable to directors who hold executive positions.

2.4 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 in reference to the terms and prices as charged to other customers.

3. Supplemental information

3.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 December 202 and 2021 is provided below.

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at 31 December	
			2022	2021
<u>Subsidiaries directly held by the Company</u>				
TISCO Bank Public Company Limited	Banking	Thailand	99.99	99.99
TISCO Securities Co., Ltd.	Securities business	Thailand	99.99	99.99
TISCO Asset Management Co., Ltd.	Asset management	Thailand	99.99	99.99
Hi-Way Co., Ltd.	Hire purchase and retail loan	Thailand	99.99	99.99
TISCO Information Technology Co., Ltd.	Services	Thailand	99.99	99.99
TISCO Insurance Solution Co., Ltd.	Insurance broker	Thailand	99.99	99.99
Primus Leasing Co., Ltd. (In the process of liquidation)	Hire purchase	Thailand	99.99	99.99
TISCO Learning Center Co., Ltd.	Services	Thailand	99.99	99.99
All-Ways Co., Ltd.	Services	Thailand	99.99	99.99

3.2 Classification of financial assets and financial liabilities

The Group has classified the significant financial assets and financial liabilities as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2022			
	Consolidated financial statements			Total
Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost		
<u>Financial assets</u>				
Cash	-	-	1,005,066	1,005,066
Interbank and money market items	-	-	40,272,419	40,272,419
Financial assets measured at fair value through profit or loss	2,172,386	-	-	2,172,386
Derivatives assets	147,489	-	-	147,489
Investments	-	3,989,884	-	3,989,884
Loans to customers and accrued interest receivables	-	-	208,881,383	208,881,383
Securities and derivatives business receivables - net	-	-	611,384	611,384
Other assets - receivables from clearing house	-	-	640,993	640,993
Other assets - fee and service receivables	-	-	505,308	505,308
Other assets - other receivables	-	-	727,205	727,205

(Unit: Thousand Baht)

	As at 31 December 2022			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<i>Financial liabilities</i>				
Deposits	-	-	188,265,809	188,265,809
Interbank and money market items	-	-	6,195,459	6,195,459
Liabilities payable on demand	-	-	256,708	256,708
Debts issued and borrowings	-	-	15,756,919	15,756,919
Lease liabilities	-	-	700,258	700,258
Securities and derivatives business payables - net	-	-	1,246,559	1,246,559
Accrued interest payable	-	-	559,568	559,568
Other liabilities - payables to clearing house	-	-	186	186
Other liabilities - accrued insurance premium	-	-	541,440	541,440

(Unit: Thousand Baht)

	As at 31 December 2021			
	Consolidated financial statements			
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<i>Financial assets</i>				
Cash	-	-	1,103,425	1,103,425
Interbank and money market items	-	-	30,489,211	30,489,211
Financial assets measured at fair value through profit or loss	2,081,052	-	-	2,081,052
Investments	-	8,042,759	-	8,042,759
Loans to customers and accrued interest receivables	-	-	192,922,000	192,922,000
Securities and derivatives business receivables – net	-	-	1,131,229	1,131,229
Other assets - receivables from clearing house	-	-	396,437	396,437
Other assets - fee and service receivables	-	-	479,617	479,617
Other assets - other receivables	-	-	715,363	715,363

(Unit: Thousand Baht)

As at 31 December 2021				
Consolidated financial statements				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<i>Financial liabilities</i>				
Deposits	-	-	166,541,926	166,541,926
Interbank and money market items	-	-	8,080,700	8,080,700
Liabilities payable on demand	-	-	274,432	274,432
Derivatives liabilities	3,385	-	-	3,385
Debts issued and borrowings	-	-	14,961,919	14,961,919
Lease liabilities	-	-	707,179	707,179
Securities and derivatives business payables - net	-	-	1,521,353	1,521,353
Accrued interest payable	-	-	481,691	481,691
Other liabilities - accrued insurance premium	-	-	525,971	525,971

(Unit: Thousand Baht)

As at 31 December 2022				
Separate financial statements				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<i>Financial assets</i>				
Cash	-	-	70	70
Interbank and money market items	-	-	27,253	27,253
Financial assets measured at fair value through profit or loss	954,994	-	-	954,994
Investments	-	202,271	-	202,271
Loans to customers and accrued interest receivables	-	-	4,284,423	4,284,423
Other assets - fee and service receivables	-	-	120,048	120,048
<i>Financial liabilities</i>				
Interbank and money market items	-	-	550,000	550,000
Debts issued and borrowings	-	-	7,880,000	7,880,000
Lease liabilities	-	-	332	332
Accrued interest payable	-	-	14,528	14,528

(Unit: Thousand Baht)

		As at 31 December 2021			
		Separate financial statements			
		Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
<u>Financial assets</u>					
Interbank and money market items		-	-	22,584	22,584
Financial assets measured at fair value through profit or loss		1,048,821	-	-	1,048,821
Investments		-	202,271	-	202,271
Loans to customers and accrued interest receivables		-	-	3,305,697	3,305,697
Other assets - fee and service receivables		-	-	120,833	120,833
<u>Financial liabilities</u>					
Interbank and money market items		-	-	565,000	565,000
Debts issued and borrowings		-	-	6,065,000	6,065,000
Lease liabilities		-	-	614	614
Accrued interest payable		-	-	11,256	11,256

3.3 Interbank and money market items - net (assets)

(Unit: Thousand Baht)

		Consolidated financial statements as at 31 December					
		2022			2021		
		At call	Term	Total	At call	Term	Total
<u>Domestic</u>							
Bank of Thailand and Financial Institutions							
Development Fund		2,237,910	-	2,237,910	1,701,735	-	1,701,735
Commercial banks		563,137	19,200,461	19,763,598	239,591	12,050,489	12,290,080
Specialised Financial Institutions		925	18,261,675	18,262,600	100,348	16,395,033	16,495,381
Total		2,801,972	37,462,136	40,264,108	2,041,674	28,445,522	30,487,196
Add: Accrued interest receivables		666	8,295	8,961	163	2,200	2,363
Less: Allowance for expected credit loss		(629)	(106)	(735)	(339)	(96)	(435)
Total domestic		2,802,009	37,470,325	40,272,334	2,041,498	28,447,626	30,489,124
<u>Foreign</u>							
Hong Kong Dollars		85	-	85	87	-	87
Total foreign		85	-	85	87	-	87
Total domestic and foreign		2,802,094	37,470,325	40,272,419	2,041,585	28,447,626	30,489,211

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2022			2021		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	27,255	-	27,255	22,595	-	22,595
Total	27,255	-	27,255	22,595	-	22,595
Add: Accrued interest						
receivables	12	-	12	1	-	1
Less: Allowance for						
expected credit loss	(14)	-	(14)	(12)	-	(12)
Total domestic	27,253	-	27,253	22,584	-	22,584

As at 31 December 2022 and 2021, cash at banks of a subsidiary amounting to Baht 10 million is pledged to secure a bank overdraft facility.

The subsidiary operating a banking business entered into securities purchases under resale agreements according to private repurchase transactions. Securities received under resale agreements are used as collateral. Details of transactions are as follows:

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at 31 December	
	2022	2021
Commercial banks	18,600,000	11,200,000
Specialised Financial Institutions	17,900,000	16,000,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at 31 December	
	2022	2021
Commercial banks	18,733,000	11,332,000
Specialised Financial Institutions	18,167,700	16,162,500

In addition, as at 31 December 2022 and 2021, interbank and money market items include insurance premiums received by the Group from the insured, amounting to Baht 317 million and Baht 353 million, respectively, that the Group has to remit to insurance companies. The Group cannot use, exploit, or deduct any expenses from these premiums, as specified in the broker appointment contract.

3.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at 31 December			
	2022		2021	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	93,088	196,089	93,088	183,023
Foreign marketable equity instruments	293,082	229,016	293,082	241,448
Domestic non-marketable equity instruments	231,289	963,500	231,289	790,261
Other securities - domestic unit trusts	54,856	57,803	54,856	58,947
Other securities - foreign unit trusts	803,120	725,978	803,120	807,373
	1,475,435	<u>2,172,386</u>	1,475,435	<u>2,081,052</u>
Add: Allowance for changes in value	696,951		605,617	
Total	<u>2,172,386</u>		<u>2,081,052</u>	

(Unit: Thousand Baht)

Investments	Separate financial statements as at 31 December			
	2022		2021	
	Cost	Fair value	Cost	Fair value
Others				
Foreign marketable equity instruments	293,082	229,016	293,082	241,448
Other securities - foreign unit trusts	803,120	725,978	803,120	807,373
	1,096,202	<u>954,994</u>	1,096,202	<u>1,048,821</u>
Less: Allowance for changes in value	(141,208)		(47,381)	
Total	<u>954,994</u>		<u>1,048,821</u>	

Investments in non-marketable equity instruments include investments in which the subsidiary operating a banking business holds not less than 10 percent of the equity of the investees, as follows:

(Unit: Thousand Baht)

Securities' name	Consolidated financial statements as at 31 December					
	2022			2021		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:						
Jiji Press (Thailand) Co., Ltd.	1,439	300	10	1,297	300	10
Trading import and export:						
Juki (Thailand) Co., Ltd.	5,919	-	10	4,240	-	10
PDTL Trading Co., Ltd.	3,801	-	10	3,743	-	10
Wattana Inter-Trade Co., Ltd.	17,789	-	10	21,008	-	10
Real estate:						
UMI Property Co., Ltd.	3,087	-	10	3,907	-	10
Industrial:						
Siam Art Ceramic Co., Ltd.	8,260	-	10	9,536	-	10

3.5 Derivatives assets/derivatives liabilities

The subsidiary operating a banking business entered into foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

Type of risks	Consolidated financial statements as at 31 December					
	2022			2021		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	147,489	-	1,739,526	-	3,385	1,512,926
Total	147,489	-	1,739,526	-	3,385	1,512,926

All counterparties of these derivatives transactions are financial institutions.

3.6 Investments

3.6.1 Investments classified by type of investments

As at 31 December 2022 and 2021, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2022		2021	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Government and state enterprise securities	3,763,317	3,763,243	7,816,804	7,816,118
Private sector debt securities	423,121	226,641	423,121	226,641
	4,186,438	3,989,884	8,239,925	8,042,759
Less: Allowance for changes in value	(196,554)		(197,166)	
Total	3,989,884		8,042,759	
Allowance for expected credit loss	199,921		199,921	
Investments in debt instruments measured at amortised cost				
Investments in receivables	8,896		11,958	
Less: Allowance for expected credit loss	(8,896)		(11,958)	
Total	-		-	
Total investments	3,989,884		8,042,759	

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2022		2021	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments				
measured at fair value through				
other comprehensive income				
Private sector debt securities	371,662	202,271	371,662	202,271
Less: Allowance for changes in value	(169,391)		(169,391)	
Total investments	202,271		202,271	
Allowance for expected credit loss	172,461		172,461	

3.6.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	Consolidated financial statements		Type of restrictions
	as at 31 December		
	2022	2021	
Government debt securities	2	2	Pledged for electricity usage

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

As at 31 December 2022 and 2021, investments in securities of the Group include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2022			2021		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default ⁽¹⁾	423,121	226,641	199,921	423,121	226,641	199,921

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2022			2021		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default ⁽¹⁾	371,662	202,271	172,461	371,662	202,271	172,461

(1) Including private sector debt instruments totaling Baht 372 million which the Company purchased from mutual funds managed by the subsidiary operating an asset management business. The Company has already set up an allowance for expected credit loss based on the recovery amount.

3.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Investments in subsidiaries	-	-	19,995,999	19,995,899
Investments in joint venture	872,808	809,629	73,245	73,245
	<u>872,808</u>	<u>809,629</u>	<u>20,069,244</u>	<u>20,069,144</u>

3.7.1 Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Type of investments	Separate financial statements					
		Percentage of holding		Investment value - cost method as at		Dividend received for the years ended	
		as at 31 December		31 December		31 December	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
<u>Subsidiaries directly held by the Company</u>							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,310	17,641,210	3,372,521	1,999,552
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	140,000	650,000
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	619,996	999,994
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	1,396	971
	Ordinary shares	99.99	99.99	770,053	770,053	670,604	470,029
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	129,996	147,995
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	309,989	299,990
Primus Leasing Co., Ltd	Ordinary shares	99.99	99.99	141,521	141,521	-	-
TISCO Learning Center Co., Ltd.	Ordinary shares	99.99	99.99	5,000	5,000	42,497	21,999
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				<u>20,104,662</u>	<u>20,104,562</u>	<u>5,286,999</u>	<u>4,590,530</u>
Less: Allowance for impairment				<u>(108,663)</u>	<u>(108,663)</u>		
Investments in subsidiaries - net				<u>19,995,999</u>	<u>19,995,899</u>		

3.7.2 Investment in joint venture

a) Details of investment in joint venture

Investment in joint venture (TISCO Tokyo Leasing Co., Ltd., which is engaged in leasing business) represents investment in ordinary shares of an entity which is jointly controlled by the Company and another company, as detailed below.

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements					
	Shareholding percentage		Cost		Carrying amounts based on equity method	
	as at 31 December		as at 31 December		as at 31 December	
	2022	2021	2022	2021	2022	2021
	(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245	872,808	809,629

(Unit: Thousand Baht)

Jointly controlled entity	Separate financial statements			
	Shareholding percentage		Cost	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
	(%)	(%)		
TISCO Tokyo Leasing Co., Ltd.	49.00	49.00	73,245	73,245

b) Share of comprehensive income and dividend received

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

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit		Share of other		Dividend received	
	for the years ended		comprehensive income (loss)		for the years ended	
	31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021
TISCO Tokyo Leasing Co., Ltd.	55,476	7,216	7,703	(2,512)	-	-

c) Summary of significant financial information of joint venture

Condensed financial information of the joint venture is presented as follows:

Summarised information on financial position

	As at 31 December	
	2022	2021
	Total assets	5,361,122
Total liabilities	(3,210,419)	(4,138,627)
Non-controlling interests of the subsidiary	(369,463)	(369,831)
Net assets	1,781,240	1,652,304
The Company's shareholding proportion	49%	49%
Carrying value of joint venture based on equity method	872,808	809,629

Summarised information on comprehensive income

	For the years ended 31 December	
	2022	2021
	Total revenues	295,448
Total expenses	(122,664)	(240,095)
Profit before income tax	172,784	50,327
Tax expenses	(37,396)	(10,641)
Non-controlling interests of the subsidiary	(22,172)	(24,960)
Profit for the year	113,216	14,726
Other comprehensive income (loss)	15,720	(5,126)
Total comprehensive income	128,936	9,600

d) Commitments and contingent liabilities of joint venture

(Unit: Thousand Baht)

	As at 31 December	
	2022	2021
Cross currency and interest rate swap agreements	800,000	950,000

3.8 Loans to customers and accrued interest receivables

3.8.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2022	2021
Loans to customers		
Overdrafts	6,880	25,102
Loans	107,059,124	89,379,736
Hire purchase receivables	129,174,835	131,006,116
Finance lease receivables	-	8,544
Less: Deferred revenue	(17,237,040)	(17,469,825)
Total loans to customers	219,003,799	202,949,673
Add: Accrued interest receivables and undue interest income	1,722,316	1,712,501
Total loans to customers and accrued interest receivables	220,726,115	204,662,174
Less: Allowance for expected credit loss	(11,844,732)	(11,740,174)
Loans to customers and accrued interest receivables - net	208,881,383	192,922,000

(Unit: Thousand Baht)

	Separate financial statements as at 31 December	
	2022	2021
Loans to customers		
Loans	4,290,000	3,310,000
Less: Allowance for expected credit loss	(5,577)	(4,303)
Loans to customers and accrued interest receivables - net	4,284,423	3,305,697

3.8.2 Classified by residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2022	2021	2022	2021
Loans to customers net of deferred revenue				
- Domestic	209,783,810	193,499,099	4,290,000	3,310,000
- Foreign	9,219,989	9,450,574	-	-
Total	219,003,799	202,949,673	4,290,000	3,310,000

3.8.3 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Loans to customers and accrued interest receivables				
Loans of the subsidiary operating a banking business	214,664,634	198,881,036	-	-
Loans of other subsidiaries	6,611,481	6,346,138	-	-
Loans of the Company	4,290,000	3,310,000	4,290,000	3,310,000
Less: Elimination	(4,840,000)	(3,875,000)	-	-
Total	220,726,115	204,662,174	4,290,000	3,310,000

3.8.3.1 Classified by loan classification of the subsidiary operating a banking business

(Unit: Thousand Baht)

	As at 31 December			
	2022		2021	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	189,142,376	6,631,970	172,789,920	6,357,689
Financial assets with significant increase in credit risk (Under-performing)	21,495,534	2,758,059	21,555,713	3,002,574
Financial assets that are credit-impaired (Non-performing)	4,026,724	1,292,530	4,535,403	1,305,933
Total	214,664,634	10,682,559	198,881,036	10,666,196

The subsidiary operating a banking business has continuously provided additional assistance to affected debtors in accordance with circulars of the BOT regarding the provision of financial assistance to debtors affected by COVID-19 since 2020 until present. As at 31 December 2022, the subsidiary's outstanding loan balance under the relief measures totalled Baht 9,584 million. The balance consists of the debtors under principal holiday scheme (still subject to payments of interest) or installment reduction (subject to partial payments of principal and interest), and the debtors receiving other forms of debt relief, for which the subsidiary complies with the staging assessment and the setting aside of provision in accordance with the relevant financial reporting standards.

3.8.3.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

	As at 31 December			
	2022		2021	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,621,895	359,686	4,443,903	345,613
Financial assets with significant increase in credit risk (Under-performing)	1,133,543	311,612	1,153,222	316,821
Financial assets that are credit-impaired (Non-performing)	856,043	493,471	749,013	414,407
Total	6,611,481	1,164,769	6,346,138	1,076,841

3.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

	As at 31 December			
	2022		2021	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	4,290,000	5,577	3,310,000	4,303
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	4,290,000	5,577	3,310,000	4,303

3.8.4 Classified by loan classification and type of debtors

As at 31 December 2022 and 2021, loans to customers of the subsidiary operating a banking business classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 31 December 2022							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables
		credit loss		credit loss		credit loss		credit loss
Financial assets with no significant increase in credit risk (Performing)	93,434	3,018	25,506	1,124	70,202	2,490	189,142	6,632
Financial assets with significant increase in credit risk (Under-performing)	12,536	1,342	5,221	570	3,739	846	21,496	2,758
Financial assets that are credit-impaired (Non-performing)	2,098	652	772	297	1,157	344	4,027	1,293
Total	108,068	5,012	31,499	1,991	75,098	3,680	214,665	10,683

(Unit: Million Baht)

	As at 31 December 2021							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables	Loans to customers	Allowance accrued for interest receivables
		credit loss		credit loss		credit loss		credit loss
Financial assets with no significant increase in credit risk (Performing)	93,381	3,181	21,340	918	58,069	2,259	172,790	6,358
Financial assets with significant increase in credit risk (Under-performing)	14,085	1,642	4,481	543	2,990	817	21,556	3,002
Financial assets that are credit-impaired (Non-performing)	2,217	634	885	301	1,433	371	4,535	1,306
Total	109,683	5,457	26,706	1,762	62,492	3,447	198,881	10,666

3.8.5 Hire purchase and finance lease receivables

As at 31 December 2022, receivables of the subsidiaries under hire purchase agreements amount to Baht 113,213 million (2021: Baht 114,797 million) and mostly comprise hire purchase agreements for cars. The terms of the agreements are generally between 1 to 8 years, and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022					
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	Financial assets that are credit-impaired	Total
Gross investment in the agreements	40,353	77,399	3,911	7,512	129,175
Less: Deferred revenue ⁽¹⁾	(5,067)	(6,686)	(152)	(4,873)	(16,778)
Present value of minimum lease payment from agreements	35,286	70,713	3,759	2,639	112,397
Accrued interest receivables	653	-	-	163	816
Total	35,939	70,713	3,759	2,802	113,213
Allowance for expected credit loss					(5,956)
Net hire purchase receivables					107,257

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021					
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	Financial assets that are credit-impaired	Total
Gross investment in the agreements	40,660	77,865	5,250	7,240	131,015
Less: Deferred revenue ⁽¹⁾	(5,382)	(6,933)	(195)	(4,547)	(17,057)
Present value of minimum lease payment from agreements	35,278	70,932	5,055	2,693	113,958
Accrued interest receivables	676	-	-	163	839
Total	35,954	70,932	5,055	2,856	114,797
Allowance for expected credit loss					(6,362)
Net hire purchase and finance lease receivables					108,435

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

3.8.6 Troubled debt restructuring of the subsidiary operating a banking business

As at 31 December 2022 and 2021, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2022		2021	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	1,531	1,021	4,586	1,812

3.9 Allowance for expected credit loss

As at 31 December 2022 and 2021, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Total
	For the year ended 31 December 2022				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
Interbank and money market items (assets)					
Balance - beginning of year	435	-	-	-	435
Changes from revaluation of allowance for credit loss	300	-	-	-	300
Balance - end of year	<u>735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>735</u>
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of year	-	-	199,921	-	199,921
New financial assets purchased or acquired	97	-	-	-	97
Derecognition	(97)	-	-	-	(97)
Balance - end of year	<u>-</u>	<u>-</u>	<u>199,921</u>	<u>-</u>	<u>199,921</u>
Investments in debt instruments measured at amortised cost					
Balance - beginning of year	-	-	11,958	-	11,958
Changes from revaluation of allowance for credit loss	-	-	(3,062)	-	(3,062)
Balance - end of year	<u>-</u>	<u>-</u>	<u>8,896</u>	<u>-</u>	<u>8,896</u>
Loans to customers and accrued interest receivables					
Balance - beginning of year	6,700,439	3,319,395	1,720,340	-	11,740,174
Changes from transfers among stages	24,608	(443,209)	418,601	-	-
Changes from revaluation of allowance for credit loss	(1,541,492)	(73,377)	2,465,055	-	850,186
New financial assets purchased or acquired	2,764,022	762,973	305,981	-	3,832,976
Derecognition	(958,515)	(496,112)	(268,566)	-	(1,723,193)
Write-off	-	-	(2,855,411)	-	(2,855,411)
Balance - end of year	<u>6,989,062</u>	<u>3,069,670</u>	<u>1,786,000</u>	<u>-</u>	<u>11,844,732</u>

(Unit: Thousand Baht)

Consolidated financial statements					
For the year ended 31 December 2022					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	Total
Other assets - accrued interest receivables on investments					
Balance - beginning of year	-	-	1,825	-	1,825
Changes from revaluation of allowance for credit loss	-	-	3,348	-	3,348
Balance - end of year	-	-	5,173	-	5,173

Other assets - other receivables					
Balance - beginning of year	-	-	-	13,295	13,295
Changes from revaluation of allowance for credit loss	-	-	-	7,756	7,756
New financial assets purchased or acquired	-	-	-	7,942	7,942
Derecognition	-	-	-	(2,001)	(2,001)
Write-off	-	-	-	(5,647)	(5,647)
Balance - end of year	-	-	-	21,345	21,345

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Allowance established in excess	Financial assets applying a simplified approach	Total
Interbank and money market items (assets)						
Balance - beginning of year	1,081	-	-	-	-	1,081
Changes from revaluation of allowance for credit loss	(646)	-	-	-	-	(646)
Balance - end of year	435	-	-	-	-	435
Investments in debt instruments measured at fair value through other comprehensive income						
Balance - beginning of year	-	-	190,621	-	-	190,621

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach	Total
Changes from revaluation of allowance for credit loss	-	-	9,300	-	-	9,300
Balance - end of year	-	-	199,921	-	-	199,921
Investments in debt instruments measured at amortised cost						
Balance - beginning of year	-	-	12,047	-	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(89)	-	-	(89)
Balance - end of year	-	-	11,958	-	-	11,958
Loans to customers and accrued interest receivables						
Balance - beginning of year	5,392,220	3,689,099	1,687,826	1,056,399	-	11,825,544
Changes from transfers among stages	184,524	(686,132)	501,608	-	-	-
Changes from revaluation of allowance for credit loss	(302,493)	73,065	3,032,671	-	-	2,803,243
New financial assets purchased or acquired	2,291,729	823,474	252,429	-	-	3,367,632
Derecognition	(865,541)	(580,111)	(206,014)	-	-	(1,651,666)
Write-off	-	-	(3,548,180)	-	-	(3,548,180)
Reduction in allowance established in excess	-	-	-	(1,056,399)	-	(1,056,399)
Balance - end of year	6,700,439	3,319,395	1,720,340	-	-	11,740,174

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach	Total
Other assets - accrued interest receivables on investments						
Balance - beginning of year	-	-	4,636	-	-	4,636

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2021						
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Allowance established in excess	Financial assets applying a simplified approach	Total
Changes from revaluation of allowance for credit loss	-	-	1,825	-	-	1,825
Write-off	-	-	(4,636)	-	-	(4,636)
Balance - end of year	-	-	1,825	-	-	1,825
Other assets - other receivables						
Balance - beginning of year	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	-	-	21,080	21,080
Derecognition	-	-	-	-	(1,437)	(1,437)
Write-off	-	-	-	-	(6,348)	(6,348)
Balance - end of year	-	-	-	-	13,295	13,295

(Unit: Thousand Baht)

Separate financial statements				
For the year ended 31 December 2022				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	12	-	-	12
Changes from revaluation of allowance for credit loss	2	-	-	2
Balance - end of year	14	-	-	14
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	172,461	172,461
Changes from revaluation of allowance for credit loss	-	-	-	-
Balance - end of year	-	-	172,461	172,461

(Unit: Thousand Baht)

Separate financial statements				
For the year ended 31 December 2022				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Loans to customers and accrued interest receivables				
Balance - beginning of year	4,303	-	-	4,303
Changes from revaluation of allowance for credit loss	1,274	-	-	1,274
Balance - end of year	5,577	-	-	5,577
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	1,629	1,629
Changes from revaluation of allowance for credit loss	-	-	2,988	2,988
Balance - end of year	-	-	4,617	4,617

(Unit: Thousand Baht)

Separate financial statements				
For the year ended 31 December 2021				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Interbank and money market items (assets)				
Balance - beginning of year	9	-	-	9
Changes from revaluation of allowance for credit loss	3	-	-	3
Balance - end of year	12	-	-	12
Investments in debt instruments measured at fair value through other comprehensive income				
Balance - beginning of year	-	-	164,161	164,161
Changes from revaluation of allowance for credit loss	-	-	8,300	8,300
Balance - end of year	-	-	172,461	172,461

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2021			
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Total
Loans to customers and accrued interest receivables				
Balance - beginning of year	4,134	-	-	4,134
Changes from revaluation of allowance for credit loss	169	-	-	169
Balance - end of year	4,303	-	-	4,303
Other assets - accrued interest receivables of investments				
Balance - beginning of year	-	-	4,111	4,111
Changes from revaluation of allowance for credit loss	-	-	1,629	1,629
Write-off	-	-	(4,111)	(4,111)
Balance - end of year	-	-	1,629	1,629

3.10 Classification of assets

3.10.1 Classification of assets under the BOT's guidelines

As at 31 December 2022 and 2021, classification of financial assets is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2022				
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	40,273,154	3,763,243	-	193,214,271	237,250,668
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,629,077	22,629,077
Financial assets that are credit-impaired (Non-performing)	-	226,641	8,896	4,882,767	5,118,304
Total	40,273,154	3,989,884	8,896	220,726,115	264,998,049

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2021

	Financial assets				Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	30,489,646	7,816,118	-	176,668,823	214,974,587
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	22,708,935	22,708,935
Financial assets that are credit-impaired (Non-performing)	-	226,641	11,958	5,284,416	5,523,015
Total	30,489,646	8,042,759	11,958	204,662,174	243,206,537

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2022

	Financial assets			Total
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	27,267	-	4,290,000	4,317,267
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	202,271
Total	27,267	202,271	4,290,000	4,519,538

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2021				
Financial assets				
	Debt instruments measured at fair value		Loans to customers and accrued interest receivables	Total
	Interbank and money market items	through other comprehensive income		
Financial assets with no significant increase in credit risk (Performing)	22,596	-	3,310,000	3,332,596
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	202,271	-	202,271
Total	22,596	202,271	3,310,000	3,534,867

3.10.2 Loans to customers with weak financial position and poor operating results of the subsidiary operating a banking business

	Number of debtors as at 31 December		Loans to customers and accrued interest receivables as at 31 December		Collateral value as at 31 December		Allowance for expected credit loss provided in the accounts as at 31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1.Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	387	476	292	300	387	476
2.Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	11	10	1,784	641	908	411	185	86
Total	12	11	2,171	1,117	1,200	711	572	562

3.11 Properties foreclosed

(Unit: Thousand Baht)

	For the years ended 31 December	
	2022	2021
Assets from debt settlement		
Immovable assets		
Balance - beginning of year	-	-
Additions	12,567	-
Disposals	(12,567)	-
Balance - end of year	-	-
Movable assets		
Balance - beginning of year	136,893	30,543
Additions	1,662,931	2,342,967
Disposals	(1,793,122)	(2,236,617)
Balance - end of year	6,702	136,893
Total properties foreclosed	6,702	136,893
Less: Allowance for impairment		
Balance - beginning of year	16,371	872
Increase	43,062	50,966
Decrease	(59,281)	(35,467)
Balance - end of year	152	16,371
Total properties foreclosed - net	6,550	120,522

3.12 Investment properties

The book value of investment properties as at 31 December 2022 and 2021 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Book value - beginning of year	27,305	27,334	910,728	910,728
Loss on changes in fair value	(247)	(29)	-	-
Book value - end of year	27,058	27,305	910,728	910,728

Investment properties of the Group are office condominiums for rent and are stated at fair value. The fair value of investment properties is calculated using the asset appraisal method based on the market approach, with reference to market data of the similar and comparable assets. These valuations were made by in-house appraisers of TISCO Bank who have professional experiences and are capable of the asset appraisal, and were based on the asset valuation standards and code of professional ethics in Thailand.

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	Consolidated financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
	Estimated office condominium price rate (Baht/Sq.m.)	19,000 and 139,951
	Separate financial statements as of the appraisal date	Result to fair value where as an increase in assumption value
	Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 103,700

The Group has rented part of its office condominiums under operating leases with a lease term of 3 years (Separate financial statements: 3 years), and has future minimum rental fee as at 31 December 2022 and 2021 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Not over 1 year	610	610	74,433	74,433
Over 1 but not over 3 years	356	965	-	74,434
Total	966	1,575	74,433	148,867

During the years ended 31 December 2022 and 2021, the Group has rental income of Baht 4 million (Separate financial statements: Baht 76 million).

3.13 Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Revaluation basis	Cost basis				
	Office condominiums and building improvements	Land	Buildings and improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
Cost:						
As at 1 January 2021	2,490,393	17,509	800,726	1,174,946	169,393	4,652,967
Additions/transfers-in	678	-	24,835	35,518	13,365	74,396
Disposals/write-offs/transfers-out	-	-	(17,286)	(119,687)	(20,339)	(157,312)
As at 31 December 2021	2,491,071	17,509	808,275	1,090,777	162,419	4,570,051
Additions/transfers-in	2,110	-	100,812	62,153	40,815	205,890
Disposals/write-offs/transfers-out	(343)	-	(10,407)	(4,231)	(29,560)	(44,541)
As at 31 December 2022	2,492,838	17,509	898,680	1,148,699	173,674	4,731,400
Accumulated depreciation:						
As at 1 January 2021	65,031	-	623,394	935,766	107,037	1,731,228
Depreciation for the year	33,126	-	68,154	87,199	23,370	211,849
Depreciation on disposals/write-offs/transfers-out	-	-	(14,175)	(119,491)	(19,922)	(153,588)
As at 31 December 2021	98,157	-	677,373	903,474	110,485	1,789,489
Depreciation for the year	33,332	-	66,273	78,460	21,635	199,700
Depreciation on disposals/write-offs/transfers-out	(236)	-	(10,186)	(4,228)	(29,413)	(44,063)
As at 31 December 2022	131,253	-	733,460	977,706	102,707	1,945,126
Net book value:						
As at 31 December 2021	2,392,914	17,509	130,902	187,303	51,934	2,780,562
As at 31 December 2022	2,361,585	17,509	165,220	170,993	70,967	2,786,274
Depreciation for the years ended 31 December:						
2021						211,849
2022						199,700

(Unit: Thousand Baht)

	Separate financial statements			Total
	Revaluation basis	Cost basis		
	Office condominiums and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
Cost:				
As at 1 January 2021	675,777	514,292	81,156	1,271,225
Additions/transfers-in	678	28,186	-	28,864
Disposals/write-offs/transfers-out	-	(34,275)	(2,409)	(36,684)
As at 31 December 2021	676,455	508,203	78,747	1,263,405
Additions/transfers-in	2,023	14,211	30,435	46,669
Disposals/write-offs/transfers-out	-	(78)	(14,807)	(14,885)
As at 31 December 2022	678,478	522,336	94,375	1,295,189
Accumulated depreciation:				
As at 1 January 2021	22,094	371,244	50,922	444,260
Depreciation for the year	11,675	49,992	12,453	74,120
Depreciation on disposals/ write-offs/transfers-out	-	(34,239)	(2,409)	(36,648)
As at 31 December 2021	33,769	386,997	60,966	481,732
Depreciation for the year	11,905	46,145	12,211	70,261
Depreciation on disposals/ write-offs/transfers-out	-	(78)	(14,807)	(14,885)
As at 31 December 2022	45,674	433,064	58,370	537,108
Net book value:				
As at 31 December 2021	642,686	121,206	17,781	781,673
As at 31 December 2022	632,804	89,272	36,005	758,081
Depreciation for the years ended 31 December:				
2021				74,120
2022				70,261

As at 31 December 2022 and 2021, the Group has equipment which has been fully depreciated but is still in use with the gross carrying amount, before deducting accumulated depreciation and allowance for loss on impairment, of approximately Baht 1,383 million and Baht 1,218 million, respectively (Separate financial statements: Baht 358 million and Baht 277 million, respectively).

The Group arranged for an independent professional appraiser to appraise the value of the office condominium in 2018, using the market approach.

Had the office condominiums been carried in the financial statements based on cost model, their net book value as at 31 December 2022 and 2021 would have been as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as		Separate financial statements	
	at 31 December		as at 31 December	
	2022	2021	2022	2021
Office condominiums - net of accumulated depreciation	907,613	937,054	223,370	232,412

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	As of the appraisal date		Result to fair value where as an increase in assumption value
	Consolidated financial statements	Separate financial statements	
Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 181,475	88,145 - 103,700	Increase in fair value

3.14 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Book value - beginning of year	752,829	885,486	600	879
Additions	205,833	108,550	-	-
Contract amendment	83,009	28,395	-	-
Contract termination	(10,034)	(3,118)	-	-
Depreciation for the year	(277,771)	(266,484)	(279)	(279)
Book value - end of year	753,866	752,829	321	600

3.15 Intangible assets

The book value of intangible assets - computer software as at 31 December 2022 and 2021 is presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Cost	1,709,166	1,683,680	631,491	610,143
Less: Accumulated amortisation	(1,609,563)	(1,552,761)	(568,809)	(535,972)
Net book value	99,603	130,919	62,682	74,171

A reconciliation of the net book value of intangible assets for the years ended 31 December 2022 and 2021 is presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Book value - beginning of year	130,919	214,268	74,171	98,827
Acquisitions of computer software	25,486	37,506	21,348	19,445
Write-offs/disposals of computer software	-	(6,708)	-	-
Amortisation	(56,802)	(114,147)	(32,837)	(44,101)
Book value - end of year	99,603	130,919	62,682	74,171

As at 31 December 2022 and 2021, the Group has computer software which has been fully amortised but is still in use with the gross carrying amount, before deducting accumulated amortisation, of approximately Baht 1,482 million and Baht 1,356 million, respectively (Separate financial statements: Baht 510 million and Baht 448 million, respectively).

3.16 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Receivables from clearing house	640,993	396,437	-	-
Value added tax - net	517,112	340,884	5,978	3,017
Accrued interest receivables	2,456	30,641	-	-
Fee and service receivables	505,308	479,617	120,048	120,833
Refundable income tax and prepaid income tax	24,931	310	22,150	-
Deposits	85,212	79,607	90	90
Other receivables	727,205	715,363	-	-
Other assets	454,546	427,904	93,944	75,527
Total other assets	2,957,763	2,470,763	242,210	199,467

3.17 Deposits

3.17.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2022	2021
Deposits		
Current accounts	1,820,826	2,162,084
Saving accounts	42,929,520	46,931,704
Fixed accounts		
- not over 6 months	12,296,262	9,021,296
- over 6 months but not over 1 year	15,578,457	23,680,305
- over 1 year	15,050,668	2,189,472
Certificates of deposits/negotiable certificates of deposits	100,590,076	82,557,065
Total	188,265,809	166,541,926

3.17.2 As at 31 December 2022 and 2021, all outstanding deposits are deposits from domestic depositors and are in Baht.

3.18 Interbank and money market items (liabilities)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2022			2021		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	5,233,228	5,233,228	-	4,364,356	4,364,356
Commercial banks	181,090	100,000	281,090	110,418	1,070,000	1,180,418
Specialised Financial Institutions	-	221,473	221,473	-	1,747,670	1,747,670
Other financial institutions	346,927	112,741	459,668	582,625	205,631	788,256
Total	528,017	5,667,442	6,195,459	693,043	7,387,657	8,080,700

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2022			2021		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	550,000	-	550,000	565,000	-	565,000
Total	550,000	-	550,000	565,000	-	565,000

As at 31 December 2022 and 2021, interbank and money market items in the separate financial statements represent borrowings from a subsidiary amounting to Baht 550 million and Baht 565 million, respectively, which mature at call and bear interest at a fixed rate per annum. Interest payment on which is made on a monthly basis.

3.19 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	5,040,000	6,640,000	-	-
Unsubordinated unsecured debentures	10,680,000	8,285,000	7,880,000	6,065,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	15,756,919	14,961,919	7,880,000	6,065,000

3.19.1 Subordinated unsecured debentures

As at 31 December 2022 and 2021, the subsidiary operating a banking business has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units		Face value (Baht per unit)	Balance as at 31 December		Maturity in the year	Interest rate
	as at 31 December			as at 31 December			
	2022 (Million units)	2021 (Million units)		2022 (Million Baht)	2021 (Million Baht)		
2017	-	1.00	1,000	-	1,000	2027	4.00 percent per annum
2017	-	0.60	1,000	-	600	2027	3.70 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	0.70	1,000	700	700	2031	3.25 percent per annum
Total				5,040	6,640		

During the year 2022, the subsidiary early redeemed debentures amounting to Baht 1,600 million in accordance with the specified conditions.

3.19.2 Unsubordinated unsecured debentures

As at 31 December 2022 and 2021, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units ⁽¹⁾		Balance as at 31 December				Maturity in the year	Interest rate
		as at 31 December		Consolidated financial statements		Separate financial statements			
		2022 (Million units)	2021 (Million units)	2022 (Million Baht)	2021 (Million Baht)	2022 (Million Baht)	2021 (Million Baht)		
2020	Long-term debenture	-	2.22	-	2,220	-	-	2022	1.40 percent per annum
2021	Short-term debenture	-	6.065	-	6,065	-	6,065	2022	0.70 - 0.75 percent per annum
2022	Short-term debenture	7.88	-	7,880	-	7,880	-	2023	1.35 - 1.65 percent per annum
2022	Long-term debenture	2.80	-	2,800	-	-	-	2024	1.25 percent per annum
Total				10,680	8,285	7,880	6,065		

(1) Face value per unit of debentures is Baht 1,000.

3.19.3 Bills of exchange

Bills of exchange comprise bills of exchange that mature at call and bear interest at a fixed rate of 2.50 percent per annum.

3.20 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Balance - beginning of year	755,581	888,548	630	922
Increase during the year	229,385	125,725	-	-
Contract amendment	99,468	27,146	-	-
Paid during the year	(307,059)	(275,842)	(292)	(292)
Terminated during the year	(10,645)	(9,996)	-	-
Balance - end of year	766,730	755,581	338	630
Less: Deferred interest expenses	(66,472)	(48,402)	(6)	(16)
Lease liabilities - net	700,258	707,179	332	614
Current portion	(163,306)	(189,382)	(239)	(282)
Lease liabilities - net of current portion	536,952	517,797	93	332

The Group had total cash outflows on leases during the years ended 31 December 2022 and 2021 of Baht 322 million and Baht 291 million, respectively (Separate financial statements: Baht 2 million and Baht 2 million, respectively).

Expenses relating to leases that are recognised in profit or loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	278	266	-	-
Interest expense on lease liabilities	22	20	-	-
Expenses relating to variable lease payments	15	15	2	2
Total	315	301	2	2

3.21 Provisions

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Allowance for expected credit loss on loan commitments and financial guarantees	9,556	1,527	-	-
Provision for long-term employee benefits	1,702,710	1,727,454	287,935	303,612
Total provisions	1,712,266	1,728,981	287,935	303,612

3.21.1 Allowance for expected credit loss on loan commitments and financial guarantees

As at 31 December 2022 and 2021, allowance for expected credit loss on loan commitments by classification is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2022		2021	
	Loan commitments and financial guarantees	Allowance for expected credit loss	Loan commitments and financial guarantees	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,198,770	9,556	1,013,421	1,527
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	3,198,770	9,556	1,013,421	1,527

Changes in allowance for expected credit loss on loan commitments are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements for the years ended 31 December			
	2022		2021	
	Financial assets with no significant increase in credit risk	Total	Financial assets with no significant increase in credit risk	Total
Balance - beginning of year	1,527	1,527	14,716	14,716
Changes from revaluation of allowance for credit loss/new financial assets/derecognition	8,029	8,029	(13,189)	(13,189)
Balance - end of year	9,556	9,556	1,527	1,527

3.21.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Defined post-employment benefit obligation at beginning of year	1,414,278	1,355,970	273,863	263,323
Current service cost	94,550	101,489	14,179	14,942
Interest cost	32,920	21,489	4,933	3,092
Benefits paid during the year	(28,051)	(60,691)	(5,140)	(27,775)
Included in other comprehensive income:				
Actuarial (gain) loss arising from Demographic assumptions changes	63,976	126,237	12,743	14,075
Financial assumptions changes	(248,266)	(157,381)	(35,953)	3,108
Other assumptions changes	79,899	27,165	(1,764)	3,098
Defined post-employment benefit obligation at end of year	1,409,306	1,414,278	262,861	273,863
Other long-term benefits	293,404	313,176	25,074	29,749
Total provision for long-term employee benefits at end of year	1,702,710	1,727,454	287,935	303,612

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Current service cost	123,045	133,279	16,212	17,310
Interest cost	38,920	25,353	5,399	3,425
Actuarial (gain) loss	(32,674)	(26,056)	(5,557)	1,051
Total employee benefit expenses	129,291	132,576	16,054	21,786

As at 31 December 2022 and 2021, the Group expects to pay long-term employee benefits during the next year of Baht 196 million and Baht 163 million, respectively (Separate financial statements: Baht 71 million and Baht 62 million, respectively).

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefits is 15 years and 15 years, respectively (Separate financial statements: 11 years and 11 years, respectively).

Significant actuarial assumptions as at the assessment date are summarised below.

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	As at 31 December		As at 31 December	
	2022	2021	2022	2021
Discount rate	1.00 - 4.94	0.51 - 3.32	1.00 - 4.75	0.51 - 3.32
Average salary increase rate	5.00	5.00	5.00	5.00
Turnover rate	0.72 - 7.88	0.88 - 9.26	0.72 - 7.88	0.88 - 9.26

The results of sensitivity analysis for significant assumptions that affect the increase (decrease) in the present value of the employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2022		2021	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(34,402)	35,806	(36,511)	38,062
Average salary increase rate	35,094	(33,897)	37,054	(35,743)
Turnover rate	(4,190)	4,190	(4,325)	4,325

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2022		2021	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(3,886)	4,018	(4,178)	4,322
Average salary increase rate	3,926	(3,817)	4,193	(4,076)
Turnover rate	(731)	731	(771)	771

3.22 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Payables to clearing house	186	-	-	-
Withholding income tax and other tax payables	501,797	584,678	100,273	118,901
Accrued insurance premium	541,440	525,971	-	-
Deferred income	1,393,492	1,594,563	-	-
Accrued expenses	3,399,927	3,261,310	1,338,544	1,561,802
Suspense creditors	803,371	1,028,283	-	-
Other liabilities	460,024	463,560	101	96
Total other liabilities	<u>7,100,237</u>	<u>7,458,365</u>	<u>1,438,918</u>	<u>1,680,799</u>

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 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 continuously set aside for payment five years later. It is paid in cash and partly determined based on the average daily price of the Company's shares over the period of five years from grant date to settlement date. As of 31 December 2022 and 2021, the Group has accrued bonus under this scheme amounting to Baht 376 million and Baht 387 million, respectively (Separate financial statements: Baht 176 million and Baht 172 million, respectively) and recognised expenses in profit or loss during the years ended 31 December 2022 and 2021 amounting to Baht 135 million and Baht 141 million, respectively (Separate financial statements: Baht 67 million and Baht 52 million, respectively).

As at 31 December 2022, the above other liabilities include advances received from Electronic Funds Transfer transactions of the subsidiary operating a banking business amounting to Baht 0.03 million (2021: Baht 3 million), and the subsidiary maintained an asset amounting to Baht 11 million to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position as at 31 December 2022 (2021: Baht 14 million).

3.23 Capital funds

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 in accordance with the regulations of the BOT.

The Group maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, loan against auto license receivables, corporate lending and SME business loans that are qualified to the specified requirements, and for equity exposure and other assets. For such loans that are not qualified to the requirements and other loans, the Standardised Approach (SA) is implemented to maintain capital adequacy ratio.

Regarding Capital funds as at 31 December 2022 and 2021, the Financial Business Group has allocated the additional reserve from loan classification as part of regulatory capital funds. Such reserve has been allocated to Tier 1 capital and Tier 2 capital based on method under the BOT's regulations.

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

	(Unit: Thousand Baht)	
	As at 31 December	
	2022	2021
<u>Common Equity Tier I capital</u>		
Issued and paid-up share capital	8,006,456	8,006,456
Premium on share capital	1,018,408	1,018,408
Statutory reserve	801,000	801,000
Net profits after appropriation	21,739,012	21,731,535
Other components of equity	1,831,007	1,828,088
Less: Deductions from Common Equity Tier I items	(1,023,648)	(964,409)
Total Common Equity Tier I capital	32,372,235	32,421,078
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non-cumulative preference shares	99	99
Total Tier I capital	32,372,334	32,421,177
<u>Tier II capital</u>		
Long-term subordinated debentures	5,040,000	6,640,000
Surplus of provision	786,626	705,098
Reserve for loans classified as normal	720,745	714,444
Total Tier II capital	6,547,371	8,059,542
Total capital funds	38,919,705	40,480,719

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2022		2021	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Common Equity Tier I capital to risk assets	17.15	7.00	18.56	7.00
Tier I capital to risk assets	17.15	8.50	18.56	8.50
Total capital to risk assets	20.62	11.00	23.18	11.00

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

(Unit: Thousand Baht)

	As at 31 December	
	2022	2021
<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	20,417,489	18,463,500
Other components of equity	300,977	302,640
Less: Deductions from Common Equity Tier I items	(229,831)	(137,200)
Total Common Equity Tier I capital	33,231,335	31,371,640
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	33,231,336	31,371,641
<u>Tier II Capital</u>		
Long-term subordinated debentures	5,040,000	6,640,000
Surplus of provision	765,917	685,907
Reserve for loans classified as normal	520,205	515,890
Total Tier II capital	6,326,122	7,841,797
Total capital funds	39,557,458	39,213,438

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2022		2021	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	19.63	7.00	20.16	7.00
Tier I capital to risk assets	19.63	8.50	20.16	8.50
Total capital to risk assets	23.37	11.00	25.20	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 15/2562 regarding "Public Disclosure of Capital Maintenance for Financial Business Group (No.2)", the Company will disclose capital maintenance information of the Financial Business Group as at 31 December 2022 on its website (www.tisco.co.th) by April 2023.

3.24 Other components of equity

3.24.1 Surplus (deficit) on valuation of investments measured at fair value through other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Balance - beginning of year	2,756	7,339	3,071	(1,536)
Increase (decrease) from changes in value of investments during the year	(1,417)	(4,583)	-	4,607
	1,339	2,756	3,071	3,071
Less: Effect of deferred tax liabilities	(268)	(551)	(614)	(614)
Balance - end of year	1,071	2,205	2,457	2,457

3.24.2 Surplus on revaluation of assets

This represents surplus arising from revaluation of office condominiums. The surplus is amortised to retained earnings on a straight-line basis over the remaining life of the related assets.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Balance - beginning of year	1,442,195	1,446,646	381,231	382,072
Transfer to retained earnings	(4,450)	(4,451)	(840)	(841)
	1,437,745	1,442,195	380,391	381,231
Less: Effect of deferred tax liabilities	(287,908)	(288,708)	(76,078)	(76,246)
Balance - end of year	1,149,837	1,153,487	304,313	304,985

3.25 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Interbank and money market items	211,894	151,943	420	293
Investments in debt securities	86,797	83,420	4,820	1,629
Loans to customers and overdrafts	7,473,709	7,124,386	66,782	61,445
Hire purchase receivables	7,131,899	7,431,936	-	-
Total interest income	14,904,299	14,791,685	72,022	63,367

Interest income for the years ended 31 December 2022 and 2021 included interest income on credit-impaired financial assets amounting to Baht 406 million and Baht 458 million, respectively. The subsidiaries fully recognised expected credit loss on such interest income.

3.26 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Deposits	1,398,314	1,519,853	-	-
Interbank and money market items	17,158	16,850	6,207	10,860
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	428,225	451,906	-	-
Issued debt securities				
- Subordinated debentures	209,384	250,734	-	-
- Unsubordinated debentures	94,849	71,110	58,972	32,759
Borrowings	911	921	-	-
Others	21,826	20,484	11	17
Total interest expenses	2,170,667	2,331,858	65,190	43,636

3.27 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Fee and service income				
- Acceptance, aval and guarantees	19,847	5,906	-	-
- Insurance service	2,608,922	2,104,745	-	-
- Brokerage fee	700,058	848,558	-	-
- Fund management	1,378,036	1,823,081	-	-
- Others	792,054	1,335,462	-	-
Total fee and service income	5,498,917	6,117,752	-	-
Fee and service expenses				
- Information service expenses	(19,456)	(18,317)	-	-
- Others	(433,812)	(496,672)	(17,902)	(16,964)
Total fee and service expenses	(453,268)	(514,989)	(17,902)	(16,964)
Net fee and service income	5,045,649	5,602,763	(17,902)	(16,964)

3.28 Net gain (loss) on financial instruments measured at fair value through profit or loss

Net gain (loss) on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and derivatives on foreign exchange	12,504	86,780	39,603	86,307
- Debt securities	22,305	16,948	-	-
- Equity securities	51,559	300,098	(133,386)	(220,622)
- Others	52	-	-	-
Net gain (loss) on financial instruments measured at fair value through profit or loss	<u>86,420</u>	<u>403,826</u>	<u>(93,783)</u>	<u>(134,315)</u>

3.29 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Gain on derecognition				
- Debt instruments measured at fair value through other comprehensive income	760	782	10	-
- Debt instruments measured at amortised cost	2,041	5,501	-	-
Net gain on investments	<u>2,801</u>	<u>6,283</u>	<u>10</u>	<u>-</u>

3.30 Expected credit loss

Expected credit loss and gain or loss from the modifications of terms of financial assets in the statements of comprehensive income for the years ended 31 December 2022 and 2021 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Expected credit loss				
- Interbank and money market items (reversal)	300	(646)	2	3
- Investments in debt instruments measured at amortised cost (reversal)	(3,062)	(89)	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	3,348	11,125	2,988	9,929
- Loans to customers	711,680	2,037,956	1,274	169
- Other receivables	6,060	13,295	-	-
(Gain) loss from the modification of terms				
- Loans to customers	(3,678)	15,527	-	-
Loan commitments and financial guarantees (reversal)	8,029	(13,189)	-	-
Total	722,677	2,063,979	4,264	10,101

3.31 Income tax expenses

Income tax expenses of the Group for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Current income tax:				
Income tax expenses for the year	1,858,039	1,691,968	97,464	92,679
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(90,631)	15,796	15,703	(49,131)
Adjustments of prior year's income tax	(686)	-	-	-
Income tax expenses reported in the statement of comprehensive income	1,766,722	1,707,764	113,167	43,548

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	283	917	-	(921)
Actuarial (gain) loss	(20,939)	(953)	(4,995)	4,056
Income tax expenses recorded directly to other comprehensive income	(20,656)	(36)	(4,995)	3,135

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2022 and 2021 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Accounting profit before tax	8,991,261	8,492,757	5,859,376	4,804,472
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,798,252	1,698,551	1,171,875	960,895
Income tax effects:				
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	(15,333)	9,442	(1,058,708)	(917,347)
Adjustments of prior year's income tax	(686)	-	-	-
Others	(15,511)	(229)	-	-
Income tax expenses reported in the statement of comprehensive income	1,766,722	1,707,764	113,167	43,548
Weighted average tax rate	19.65%	20.11%	1.93%	0.91%

The components of deferred tax assets/liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2022	2021	2022	2021
Allowance for expected credit loss	283,298	260,831	22,467	(175,775)
Allowance for impairment of investments	24,321	24,321	-	-
Allowance for impairment of properties foreclosed	30	3,274	(3,244)	3,100
Non-accrual of interest income	4,082	5,728	(1,646)	(4,991)
Depreciation of assets	(60,978)	(62,684)	1,706	4,749
Gain on changes in fair value of investment properties	(4,073)	(4,122)	49	6
Surplus on revaluation of assets	(293,662)	(294,461)	-	-
Surplus on changes in value of investments	(268)	(551)	-	-
Gain on changes in value of investments	(119,038)	(108,683)	(10,355)	61,333
Deferred commission and direct expenses incurred at the initiation of hire purchase	(107,603)	(192,791)	85,188	178,071
Unearned interest income on hire purchase	13,226	42,534	(29,308)	(59,343)
Loss on disposal of properties foreclosed	48,520	68,561	(20,041)	21,834
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	594,477	573,030	21,447	(29,385)
Employee benefit expenses	338,750	343,824	15,864	10,917
Others	87,987	79,483	8,504	(26,312)
Deferred tax assets	830,504	759,729	90,631	(15,796)

As at 31 December 2022 and 2021, a subsidiary has unused tax loss totalling Baht 53 million and Baht 86 million, respectively, on which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow utilisation of the tax loss. The unused tax loss will expire by 2023 - 2025.

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December		Changes in deferred tax assets/liabilities reported in profit or loss for the years ended 31 December	
	2022	2021	2022	2021
Allowance for expected credit loss	36,534	35,681	853	1,198
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(44,747)	(43,467)	(1,280)	(1,845)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,078)	(76,246)	-	-
Surplus on changes in value of investments	(614)	(614)	-	-
Loss on changes in value of investments	49,361	22,684	26,677	44,124
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	260,574	305,033	(44,459)	7,805
Employee benefit expenses	57,587	60,723	1,859	(1,682)
Others	1,002	355	647	(469)
Deferred tax assets	234,704	255,234	(15,703)	49,131

3.32 Earnings per share

Basic earnings per share is calculated by dividing profit for the year 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 year. The rights and benefits of the preference shareholders have been equal to those of the ordinary shareholders.

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Profit attributable to equity holders of the Company (Thousand Baht)	7,224,078	6,784,593	5,746,209	4,760,924
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	9.02	8.47	7.18	5.95

3.33 Related party transactions

The relationships between the Company and its related parties

Name of related parties	Relationship
TISCO Bank Public Company Limited	Subsidiary company
TISCO Securities Co., Ltd.	Subsidiary company
TISCO Asset Management Co., Ltd.	Subsidiary company
Hi-Way Co., Ltd.	Subsidiary company
TISCO Insurance Solution Co., Ltd.	Subsidiary company
TISCO Information Technology Co., Ltd.	Subsidiary company
TISCO Learning Center Co., Ltd.	Subsidiary company
All-Ways Co., Ltd.	Subsidiary company
Primus Leasing Co., Ltd. (In the process of liquidation)	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

As at 31 December 2022 and 2021, the balances of accounts between the Company and its related companies are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December	
	2022	2021
<u>Outstanding balances</u>		
Joint venture company		
Deposits	2,808	1,771
Commitments - financial guarantees	8,000	-
Management - departmental managers upward		
Loans ⁽¹⁾	18,836	23,242
Directors and management - departmental managers upward		
Deposits	500,148	628,320
Companies which directors or their related persons have significant influence over		
Deposits	796,166	39,580
Related persons of directors and key management		
Deposits	62,162	70,555

(1) Including employee welfare loans and normal loans.

(Unit: Thousand Baht)

	Separate financial statements	
	as at 31 December	
	2022	2021
Outstanding balances		
(Eliminated from the consolidated financial statements)		
Subsidiaries		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	27,255	22,584
Loans to customers		
Hi-way Co., Ltd.	4,290,000	3,310,000
Dividend receivables		
TISCO Bank Public Company Limited	3,372,521	1,999,552
TISCO Securities Co., Ltd.	140,000	650,000
TISCO Asset Management Co., Ltd.	619,996	999,994
Hi-Way Co., Ltd.	672,000	471,000
TISCO Insurance Solution Co., Ltd.	309,989	299,990
TISCO Information Technology Co., Ltd.	129,996	147,995
TISCO Learning Center Co., Ltd.	42,497	21,999
Other assets		
TISCO Bank Public Company Limited	119,625	121,375
TISCO Learning Center Co., Ltd.	465	-
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	550,000	565,000
Other liabilities		
TISCO Learning Center Co., Ltd.	205	-

The Company has credit line obligations granted to companies in the Group, consisting of TISCO Securities Co., Ltd., TISCO Asset Management Co., Ltd., Hi-Way Co., Ltd., TISCO Information Technology Co., Ltd., TISCO Insurance Solution Co., Ltd. and All-Ways Co., Ltd. As at 31 December 2022 and 2021, total credit lines granted to all companies in the Group must not exceed Baht 12,000 million.

Loans to related companies

As at 31 December 2022 and 2021, the balances of loans between the Company and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2022			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Loans				
Hi-Way Co., Ltd.	3,310,000	1,120,000	(140,000)	4,290,000

(Unit: Thousand Baht)

	For the year ended 31 December 2021			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Loans				
Hi-Way Co., Ltd.	3,180,000	550,000	(420,000)	3,310,000

Borrowings from related companies

As at 31 December 2022 and 2021, the balances of borrowings between the Company and its related companies (Interbank and money market items) and their movements are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2022			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	565,000	1,640,000	(1,655,000)	550,000

(Unit: Thousand Baht)

	For the year ended 31 December 2021			Balance - end of year
	Balance - beginning of year	Increase	Decrease	
Subsidiaries				
Borrowings				
TISCO Bank Public Company Limited	3,780,000	60,000	(3,275,000)	565,000

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

(Unit: Thousand Baht)

	Consolidated		Separate		Terms and pricing policies
	financial statements		financial statements		
	For the years ended		For the years ended		
	31 December		31 December		
	2022	2021	2022	2021	
<u>Transactions occurred during the years</u>					
Joint venture company					
Other income	10,125	8,403	-	-	With reference to the terms and prices as offered to other customers
Subsidiaries					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	67,202	61,738	With reference to the terms and prices as offered to other customers
Risk and financial management fee income, human resources management fee income and office administration fee income	-	-	2,131,000	2,108,928	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	-	-	74,433	74,433	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	-	-	370,000	335,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	-	-	13,059	3,538	With reference to the prices as offered from other service providers
Interest expenses	-	-	6,207	10,860	With reference to the terms and prices as offered to other customers
Other expenses	-	-	1,821	1,759	With reference to the terms and prices as offered to other customers

Directors' and key management's benefits

During the years ended 31 December 2022 and 2021, the Group had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2022	2021	2022	2021
Short-term benefits	771	805	437	473
Post-employment benefits	65	63	32	33
Total	836	868	469	506

The Group has other employee benefit expenses to its directors and key management recognised in profit or loss during the years ended 31 December 2022 and 2021 amounting to Baht 96 million and Baht 106 million, respectively (Separate financial statements: Baht 67 million and Baht 71 million, respectively).

3.34 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group Chief Executive of TISCO Group.

For management purposes, the Group operates four main businesses as follows:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through TISCO Bank Public Company Limited headquarter and its branches.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarter and branches of the subsidiary across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Group has aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group's income taxes are managed on a group basis; therefore, income tax expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

During the years ended 31 December 2022 and 2021, the Group did not have income from any customers amounting to or over 10 percent of its income.

Revenue and profit information regarding the Group's operating segments for the years ended 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

For the year ended 31 December 2022							
	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	16,051	784	1,527	(57)	18,305	-	18,305
Inter-segment	974	1	(45)	8,630	9,560	(9,560)	-
Total revenue	17,025	785	1,482	8,573	27,865	(9,560)	18,305
Operating results:							
Net interest income	12,703	16	4	8	12,731	3	12,734
Net fee and service income	3,810	744	1,467	1,146	7,167	(2,121)	5,046
Other operating income	512	25	11	7,419	7,967	(7,442)	525
Total operating income	17,025	785	1,482	8,573	27,865	(9,560)	18,305
Premises and equipment expenses and amortisation	(1,457)	(81)	(31)	(900)	(2,469)	1,046	(1,423)
Other operating expenses	(7,757)	(511)	(622)	(1,551)	(10,441)	3,273	(7,168)
Expected credit loss	(720)	-	-	(5)	(725)	2	(723)
Total operating expenses	(9,934)	(592)	(653)	(2,456)	(13,635)	4,321	(9,314)
Segment profit before income tax expenses	7,091	193	829	6,117	14,230	(5,239)	8,991
Income tax expenses							(1,767)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							7,224

(Unit: Million Baht)

For the year ended 31 December 2021							
	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	15,398	1,401	2,185	(161)	18,823	-	18,823
Inter-segment	952	4	(80)	7,831	8,707	(8,707)	-
Total revenue	16,350	1,405	2,105	7,670	27,530	(8,707)	18,823
Operating results:							
Net interest income	12,421	11	3	21	12,456	4	12,460
Net fee and service income	3,528	921	2,091	1,003	7,543	(1,940)	5,603
Other operating income	401	473	11	6,646	7,531	(6,771)	760
Total operating income	16,350	1,405	2,105	7,670	27,530	(8,707)	18,823
Premises and equipment expenses and amortisation	(1,524)	(76)	(28)	(831)	(2,459)	1,006	(1,453)
Other operating expenses	(6,766)	(587)	(758)	(1,813)	(9,924)	3,111	(6,813)
Expected credit loss	(2,039)	-	-	(10)	(2,049)	(15)	(2,064)
Total operating expenses	(10,329)	(663)	(786)	(2,654)	(14,432)	4,102	(10,330)
Segment profit before income tax expenses	6,021	742	1,319	5,016	13,098	(4,605)	8,493
Income tax expenses							(1,708)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							6,785

Total assets information regarding the Group's operating segments as at 31 December 2022 and 2021 is as follows:

(Unit: Million Baht)

As at 31 December 2022							
	Commercial banking and lending business	Securities business	Asset managemen t business	Support business	Total segments	Eliminations	Consolidate d financial statements
Segment total assets	258,872	3,111	1,534	33,943	297,460	(32,046)	265,414
Premises and equipment - net	865	23	242	774	1,904	882	2,786

(Unit: Million Baht)

	As at 31 December 2021						Consolidated financial statements
	Commercial banking and lending business		Asset managemen t business		Support business	Total segments	
	Securities business					Eliminations	
Segment total assets	236,092	3,843	2,000	32,304	274,239	(30,617)	243,622
Premises and equipment - net	836	13	244	798	1,891	890	2,781

3.35 Provident fund

The Company, its eight subsidiaries and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group and the employees contribute to the funds monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the funds' articles. The provident funds of the Company and its subsidiaries, totalling eight companies, are managed by TISCO Asset Management Company Limited, and the fund of another subsidiary is managed by Bangkok Bank Public Company Limited. The funds will be paid to the employees upon termination in accordance with the fund rules. During the years ended 31 December 2022 and 2021, the Group recognised the contributions as expenses totalling Baht 354 million and Baht 339 million, respectively (Separate financial statements: Baht 51 million and Baht 51 million, respectively).

3.36 Commitments and contingent liabilities

3.36.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2022	2021
	Avals to bills	182,479
Other guarantees	1,840,962	525,695
Foreign exchange contracts (Note 3.37.4)	1,739,526	1,512,926
Others	3,008,291	1,012,791
Total	6,771,258	3,052,042

3.36.2 Litigation

As at 31 December 2022 and 2021, the subsidiaries have been sued for compensation totalling approximately Baht 228 million and Baht 176 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material loss to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

3.36.3 Other commitments

The subsidiaries have commitments in relation to computer service agreements, whereby they are to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.

3.37 Risk management

3.37.1 Credit risk

Credit Risk is defined as the possibility that the obligor or borrower will be unable to comply with the terms and conditions of agreements, causing them to be unable to settle liabilities to the Group when due or to deliberately breach the terms of payment to the Group. If this occurs without collateral coverage, the Group will need to increase its bad debt provisions, adversely impacting the net income and capital of the Group.

Credit Risk Management Framework

The Risk Management Committee has been appointed to oversee credit risk management of the overall portfolio. The committee is responsible for formulating credit risk strategies and establishing guidelines and limits, as well as advising other credit risk authorities on related issues. It also monitors and reviews credit risks at the portfolio level and reports essential credit risk information to the Board. In addition, the Risk Oversight Committee is to advise the Board of Directors on the risk governance framework to ensure that top management and heads of risk management functions comply with the approved risk management policy, strategies, and risk appetites, while reviewing the sufficiency and effectiveness of the overall risk management policy and strategies. The Risk Oversight Committee is also to report to the Board of Directors on risk exposures and to participate in evaluation of the performance of the heads of the risk management functions.

Specific-area credit risk at in-depth transaction level is under the supervision of the Credit Committee and the Problem Loan Committee. The Credit Committee is responsible for reviewing and granting credit approvals, and may delegate its authority to oversee credit risk to designated persons for lower-risk transactions. In addition, the Problem Loan Committee was set up to closely monitor and follow up on overdue payments of problem loan accounts and properties foreclosed.

The credit risk assessment processes are key practices of the Group which include credit rating, delinquency analysis, concentration analysis and risk capital analysis. The Group is aware of the importance of the credit risk assessment process and so all credit activities must operate under a sound credit approval process in which an effective credit rating system is employed. In the retail lending area, quantitative-oriented approaches to credit grading are implemented, considering homogenous high-volume characteristics at the portfolio level. In the corporate lending area, qualitative-oriented credit grading approaches are employed, taking into account the widely varying risk profiles.

Concentration risk is another key factor in credit portfolio risk management. Appropriate guidelines are set to control credit concentration, taking into account appropriateness to and alignment with business practices and the Group's capital. In addition, the Group uses credit risk management guidelines and limits that are comprehensively and strictly applied to all credit-related functions both at the portfolio and transactional levels, as well as monitoring and managing problem loan and properties foreclosed.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at gross before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amount before deductions of allowance for expected credit loss.

For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 31 December 2022 and 2021, the exposure to credit risk is as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2022	2021	2022	2021
Interbank and money market items (Assets)	40,273	30,490	27	23
Investments in debt instruments measured at fair value through other comprehensive income	3,990	8,043	202	202
Investments in debt instruments measured at amortised cost	9	12	-	-
Loans to customers and accrued interest receivables	220,726	204,662	4,290	3,310
Securities and derivatives business receivables	611	1,131	-	-
Other assets - receivables from clearing house	641	396	-	-
Other assets - accrued interest receivables on investments	7	33	5	2
Other assets - fee and service receivables	505	480	120	121
Other assets - other receivables	748	728	-	-
Total financial assets	267,510	245,975	4,644	3,658
Loan commitments	3,199	1,013	-	-
Total credit risk exposure	270,709	246,988	4,644	3,658

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to risk. The details of the exposure to risk with collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	as at 31 December		
	2022	2021	
Interbank and money market items	36,508	27,202	Bonds
Loans to customers and accrued interest receivables	218,635	203,031	Motor vehicles, land and buildings, deposits, securities

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk, the amounts presented for financial assets are gross carrying amount (before allowance for expected credit loss). For loan commitments, the amounts in the table represent the amounts committed.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	Total
Interbank and money market items					
(Assets)					
Investment grade	40,273	-	-	-	40,273
Non-investment grade	-	-	-	-	-
Total	40,273	-	-	-	40,273
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured fair value through other comprehensive income					
Investment grade	3,763	-	-	-	3,763
Non-investment grade	-	-	227	-	227
Total	3,763	-	227	-	3,990
Allowance for expected credit loss	-	-	200	-	200
Investments in debt securities measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	9	-	9
Total	-	-	9	-	9
Allowance for expected credit loss	-	-	9	-	9
Loans to customers and accrued interest receivables					
0 day overdue	183,506	4,094	136	-	187,736
1 - 30 days overdue	9,708	4,880	117	-	14,705
31 - 60 days overdue	-	9,911	143	-	10,054
61 - 90 days overdue	-	3,744	127	-	3,871
Over 90 days overdue	-	-	4,360	-	4,360
Total	193,214	22,629	4,883	-	220,726
Allowance for expected credit loss	6,989	3,070	1,786	-	11,845

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2022					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	Total
Securities and derivatives business					
receivables					
0 day overdue	611	-	-	-	611
1 - 30 days overdue	-	-	-	-	-
Total	611	-	-	-	611
Allowance for expected credit loss	-	-	-	-	-
Other assets - receivables from clearing house					
0 day overdue	641	-	-	-	641
1 - 30 days overdue	-	-	-	-	-
Total	641	-	-	-	641
Allowance for expected credit loss	-	-	-	-	-
Other assets - accrued interest					
receivables on investments					
Investment grade	2	-	-	-	2
Non-investment grade	-	-	5	-	5
Total	2	-	5	-	7
Allowance for expected credit loss	-	-	5	-	5
Other assets - fee and service					
receivables					
0 day overdue	-	-	-	505	505
1-30 days overdue	-	-	-	-	-
Total	-	-	-	505	505
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	644	644
1 - 30 days overdue	-	-	-	57	57
31 - 90 days overdue	-	-	-	16	16
91 - 180 days overdue	-	-	-	10	10
Over 180 days overdue	-	-	-	21	21
Total	-	-	-	748	748
Allowance for expected credit loss	-	-	-	21	21
Loan commitments					
0 day overdue	3,199	-	-	-	3,199
1 - 30 days overdue	-	-	-	-	-
Total	3,199	-	-	-	3,199
Allowance for expected credit loss	10	-	-	-	10

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
Interbank and money market items (Assets)					
Investment grade	30,490	-	-	-	30,490
Non-investment grade	-	-	-	-	-
Total	30,490	-	-	-	30,490
Allowance for expected credit loss	1	-	-	-	1
Investments in debt securities measured at fair value through other comprehensive incor					
Investment grade	7,816	-	-	-	7,816
Non-investment grade	-	-	227	-	227
Total	7,816	-	227	-	8,043
Allowance for expected credit loss	-	-	200	-	200
Investments in debt securities measured at amortised cost					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	12	-	12
Total	-	-	12	-	12
Allowance for expected credit loss	-	-	12	-	12
Loans to customers and accrued interest receivables					
0 day overdue	166,183	3,659	198	-	170,040
1 - 30 days overdue	10,486	5,831	210	-	16,527
31 - 60 days overdue	-	9,996	232	-	10,228
61 - 90 days overdue	-	3,223	152	-	3,375
Over 90 days overdue	-	-	4,492	-	4,492
Total	176,669	22,709	5,284	-	204,662
Allowance for expected credit loss	6,701	3,319	1,720	-	11,740
Securities and derivatives business receivables					
0 day overdue	1,131	-	-	-	1,131
1 - 30 days overdue	-	-	-	-	-
Total	1,131	-	-	-	1,131
Allowance for expected credit loss	-	-	-	-	-
Other assets - accrued interest receivables on investments					
Investment grade	31	-	-	-	31
Non-investment grade	-	-	2	-	2
Total	31	-	2	-	33
Allowance for expected credit loss	-	-	2	-	2
Other assets - receivables from clearing house					
0 day overdue	396	-	-	-	396
1 - 30 days overdue	-	-	-	-	-
Total	396	-	-	-	396
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
Other assets - fee and service receivables					
0 day overdue	-	-	-	480	480
1-30 days overdue	-	-	-	-	-
Total	-	-	-	480	480
Allowance for expected credit loss	-	-	-	-	-
Other assets - other receivables					
0 day overdue	-	-	-	498	498
1 - 30 days overdue	-	-	-	203	203
31 - 90 days overdue	-	-	-	9	9
91 - 180 days overdue	-	-	-	5	5
Over 180 days overdue	-	-	-	13	13
Total	-	-	-	728	728
Allowance for expected credit loss	-	-	-	13	13
Loan commitments					
0 day overdue	1,013	-	-	-	1,013
1 - 30 days overdue	-	-	-	-	-
Total	1,013	-	-	-	1,013
Allowance for expected credit loss	2	-	-	-	2

(Unit: Million Baht)

Separate financial statement as at 31 December 2022					
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	Total
Interbank and money market items					
(Assets)					
Investment grade	27	-	-	-	27
Non-investment grade	-	-	-	-	-
Total	27	-	-	-	27
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured fair value through other comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	202	-	202
Total	-	-	202	-	202
Allowance for expected credit loss	-	-	172	-	172

(Unit: Million Baht)

	Separate financial statement as at 31 December 2022				Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
Loans to customers and accrued interest receivables					
0 day overdue	4,290	-	-	-	4,290
1 - 30 days overdue	-	-	-	-	-
Total	4,290	-	-	-	4,290
Allowance for expected credit loss	6	-	-	-	6
Other assets - accrued interest receivables on investments					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	5	-	5
Total	-	-	5	-	5
Allowance for expected credit loss	-	-	5	-	5
Other assets - fee and service receivables					
0 day overdue	-	-	-	120	120
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	120	120
Allowance for expected credit loss	-	-	-	-	-

(Unit: Million Baht)

	Separate financial statement as at 31 December 2021				Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
Interbank and money market items (Assets)					
Investment grade	23	-	-	-	23
Non-investment grade	-	-	-	-	-
Total	23	-	-	-	23
Allowance for expected credit loss	-	-	-	-	-
Investments in debt securities measured at fair value through other comprehensive income					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	202	-	202
Total	-	-	202	-	202
Allowance for expected credit loss	-	-	172	-	172

(Unit: Million Baht)

	Separate financial statement as at 31 December 2022				Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
Loans to customers and accrued interest receivables					
0 day overdue	3,310	-	-	-	3,310
1 - 30 days overdue	-	-	-	-	-
Total	3,310	-	-	-	3,310
Allowance for expected credit loss	4	-	-	-	4

(Unit: Million Baht)

	Separate financial statement as at 31 December 2021				Total
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit-impaired	Financial assets applying a simplified approach	
Other assets - accrued interest receivables on investments					
Investment grade	-	-	-	-	-
Non-investment grade	-	-	2	-	2
Total	-	-	2	-	2
Allowance for expected credit loss	-	-	2	-	2
Other assets - fee and service receivables					
0 day overdue	-	-	-	121	121
1 - 30 days overdue	-	-	-	-	-
Total	-	-	-	121	121
Allowance for expected credit loss	-	-	-	-	-

TISCO Group has centralised its risk management function under the regulatory guidelines for consolidated supervision issued by the BOT. The Group manages credit risk by adopting appropriate credit control policies and procedures in the credit approval process, and by analysis of risk factors and the ability of customers to service debt. For hire purchase receivables and other retail loans, the Group has implemented a credit scoring system, in order to enhance efficiency in the credit approval process and better reflect the credit risk. The Group also adopted a credit review process that examines and reviews the quality of loans so as to prevent and provide a remedy for problem loans in the future. Therefore, the Group does not expect to incur material financial loss from loans and guarantees of loans. In addition, the Group is not exposed to concentrations of credit risk because it has a varied customer base and a large number of customers. The maximum exposure to credit risk is limited to the carrying amount of loans to customers as stated in the financial statements.

Quality of risk from credit granted by the Group is mainly from the provision of hire purchase receivables of the subsidiary operating a banking business. The subsidiary considers risk of hire purchase receivables as follows.

The risk of hire purchase that is not overdue of the subsidiary can be classified into three groups, based on quality of risk in respect of expected loss that will be incurred within one year. These are "Very high grade", "High grade" and "Medium grade", with "Very high grade" credit defined as credit from which expected loss within one year is less than or equal to 0.2% of the balance; "High grade" as credit from which loss within one year is expected to be between 0.2% and 2.0% and "Medium grade" as credit from which loss within one year is expected to exceed 2.0% of the balance.

Credit risk of hire purchase receivables of the subsidiary classified by quality of credit is as follows:

	(Unit: Million Baht)	
	As at 31 December	
	2022	2021
Not yet past due		
Very high grade	48,370	48,522
High grade	42,613	42,064
Medium grade	2,451	2,795
Subtotal	93,434	93,381
Hire purchase receivables - overdue for 31 to 90 days	12,536	14,085
Hire purchase receivables - overdue for more than 90 days	2,098	2,217
Total	108,068	109,683

3.37.2 Market risk

Market risk is defined as the degree of vulnerability to movements in securities market prices and interest rates, which may affect income or the capital funds of the Group. In order to effectively manage market risk, a suitable risk treatment framework is to be implemented. Market risk of both financial assets and liabilities of the Group is assessed by employing the Value at Risk (VaR) model and methodologies appropriate to the nature of risks involved. On-going Back-testing is also performed to validate the internal Value at Risk model, and stress testing is performed under various extreme scenarios as a supplement to VaR. The risk assessment and corresponding risk treatment takes into account the transaction intent as well as the market liquidity of the securities.

3.37.2.1 Market risk - Marketable portfolio

The following table shows the VaR calculation for marketable portfolio position as at the financial statements date. The VaR that the Group measures is an estimate, using a confidence level of 99%, of the potential loss that is not expected to be exceeded if the current marketable portfolio position were to be held unchanged for one year.

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Market risk as at 31 December		Market risk as at 31 December	
	2022	2021	2022	2021
Marketable financial assets				
Equity securities	313	246	284	182
Debt securities	12	3	-	-
Derivatives	2	-	-	-
Foreign currencies	100	81	100	81

3.37.2.2 Market risk sensitivity - Interest bearing assets and liabilities

The market risk sensitivity of interest bearing assets and liabilities is measured by assessing the effect of changes in interest rates on the net interest income over one year, based on the interest bearing asset and liability positions

held by the Group at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	2022	2021	2022	2021
Change in interest rate				
Increase by 1 percent	121.11	231.98	(31.34)	(29.30)
Decrease by 1 percent	(121.11)	(231.98)	31.34	29.30

However, to better reflect a realistic business environment, the sensitivity to interest rate risk is adjusted taking into account that business growth and interest rate shift are actually gradual. The net interest rate sensitivity incurred would be less than the effect on net interest income as illustrated in the analysis. In addition, this market risk sensitivity of interest bearing assets and liabilities does not include the status of marketable debt securities, which is presented in the market risk - marketable portfolio.

3.37.2.3 Interest rate risk

The Group has the following significant exposures to interest rate risk related to financial instruments.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2022			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,005	1,005
Interbank and money market items	286	37,471	2,516	40,273
Financial assets measured at fair value through profit or loss	-	-	2,172	2,172
Derivatives assets	-	-	147	147
Investments	-	2,544	1,446	3,990
Loans to customers	40,979	169,383	10,364	220,726
Securities and derivatives business receivables - net	-	-	611	611
Other assets - receivables from clearing house	-	-	641	641
Other assets - accrued interest receivables on investments	-	-	7	7
Other assets - fee and service receivables	-	-	505	505
Other assets - other receivables	-	-	748	748
	<u>41,265</u>	<u>209,398</u>	<u>20,162</u>	<u>270,825</u>
Financial liabilities				
Deposits	43,967	143,516	783	188,266
Interbank and money market items	313	5,767	115	6,195
Liabilities payable on demand	-	-	257	257
Debts issued and borrowings	-	15,757	-	15,757
Lease liabilities	-	700	-	700
Securities and derivatives business - net	-	-	1,247	1,247
Accrued interest payable	-	-	560	560
Other liabilities - accrued insurance premium	-	-	541	541
	<u>44,280</u>	<u>165,740</u>	<u>3,503</u>	<u>213,523</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,103	1,103
Interbank and money market items	141	28,449	1,900	30,490
Financial assets measured at fair value through profit or loss	-	-	2,081	2,081
Investments	-	6,779	1,264	8,043
Loans to customers	35,940	156,332	12,390	204,662
Securities and derivatives business receivables - net	-	-	1,131	1,131
Other assets - receivables from clearing house	-	-	396	396
Other assets - accrued interest receivables on investments	-	-	33	33
Other assets - fee and service receivables	-	-	480	480
Other assets - other receivables	-	-	728	728
	<u>36,081</u>	<u>191,560</u>	<u>21,506</u>	<u>249,147</u>
Financial liabilities				
Deposits	48,221	117,448	873	166,542
Interbank and money market items	607	7,388	86	8,081
Liabilities payable on demand	-	-	274	274
Derivatives liabilities	-	-	3	3
Debts issued and borrowings	-	14,962	-	14,962
Lease liabilities	-	707	-	707
Securities and derivatives business - net	-	-	1,521	1,521
Accrued interest payable	-	-	482	482
Other liabilities - accrued insurance premium	-	-	526	526
	<u>48,828</u>	<u>140,505</u>	<u>3,765</u>	<u>193,098</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2022				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	27	-	-	27
Financial assets measured at fair value through profit or loss	-	-	955	955
Investments	-	202	-	202
Loans to customers	-	4,290	-	4,290
Other assets - accrued interest receivables on investments	-	-	5	5
Other assets - fee and service receivables	-	-	120	120
	<u>27</u>	<u>4,492</u>	<u>1,080</u>	<u>5,599</u>
Financial liabilities				
Interbank and money market items	-	550	-	550
Debts issued and borrowings	-	7,880	-	7,880
Accrued interest payable	-	-	15	15
	<u>-</u>	<u>8,430</u>	<u>15</u>	<u>8,445</u>

(Unit: Million Baht)

Transactions	Separate financial statements as at 31 December 2021			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items	23	-	-	23
Financial assets measured at fair value through profit or loss	-	-	1,049	1,049
Investments	-	202	-	202
Loans to customers	-	3,310	-	3,310
Other assets - accrued interest receivables on investments	-	-	2	2
Other assets - fee and service receivables	-	-	121	121
	<u>23</u>	<u>3,512</u>	<u>1,172</u>	<u>4,707</u>
Financial liabilities				
Interbank and money market items	-	565	-	565
Debts issued and borrowings	-	6,065	-	6,065
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	11	11
	<u>-</u>	<u>6,631</u>	<u>11</u>	<u>6,642</u>

Financial instruments which bear interest at fixed rates are classified below by the periods from the financial statements date to the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2022						
	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1	37,470	-	-	-	37,471	1.2583
Investments	-	50	1,685	618	191	2,544	1.3891
Loans to customers	4,207	12,230	37,080	98,982	16,884	169,383	8.3012
	<u>4,208</u>	<u>49,750</u>	<u>38,765</u>	<u>99,600</u>	<u>17,075</u>	<u>209,398</u>	
Financial liabilities							
Deposits	271	76,776	53,357	13,112	-	143,516	1.2167
Interbank and money market items	100	249	470	4,948	-	5,767	0.5281
Debts issued and borrowings	37	7,880	-	2,800	5,040	15,757	3.4882
Lease liabilities	-	21	142	462	75	700	3.2204
	<u>408</u>	<u>84,926</u>	<u>53,969</u>	<u>21,322</u>	<u>5,115</u>	<u>165,740</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items	1	28,448	-	-	-	28,449	0.4936
Investments	-	4,187	2,363	38	191	6,779	1.8136
Loans to customers	4,366	12,147	35,989	91,854	11,976	156,332	7.9515
	<u>4,367</u>	<u>44,782</u>	<u>38,352</u>	<u>91,892</u>	<u>12,167</u>	<u>191,560</u>	
Financial liabilities							
Deposits	551	53,739	61,993	1,165	-	117,448	0.8453
Interbank and money market items	-	1,136	2,838	3,414	-	7,388	0.4708
Debts issued and borrowings	37	8,285	-	-	6,640	14,962	2.8751
Lease liabilities	-	20	169	458	60	707	2.5640
	<u>588</u>	<u>63,180</u>	<u>65,000</u>	<u>5,037</u>	<u>6,700</u>	<u>140,505</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2022							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	-	-	11	191	202	3.3391
Loans to customers	4,290	-	-	-	-	4,290	2.4000
	<u>4,290</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>191</u>	<u>4,492</u>	
Financial liabilities							
Interbank and money market items	550	-	-	-	-	550	1.8110
Debts issued and borrowings	-	7,880	-	-	-	7,880	1.5681
	<u>550</u>	<u>7,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,430</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2021							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Investments	-	-	-	11	191	202	3.3391
Loans to customers	3,310	-	-	-	-	3,310	1.6500
	<u>3,310</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>191</u>	<u>3,512</u>	
Financial liabilities							
Interbank and money market items	565	-	-	-	-	565	1.1943
Debts issued and borrowings	-	6,065	-	-	-	6,065	0.7008
Lease liabilities	-	-	-	1	-	1	2.3340
	<u>565</u>	<u>6,065</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>6,631</u>	

3.37.3 Liquidity risk

Liquidity risk is uncertainty that the Group is unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate fund for timely fulfillment of obligations, which could

result in damages to the Group. Liquidity risk may result from both internal and external factors. Internal factors hinge on liquidity reserve and a structure of assets and liabilities. Meanwhile, external factors are mainly driven by market liquidity and confidence of depositors.

Liquidity risk management framework

The overall liquidity risk management is overseen by the Risk Management Committee. Treasury function will be responsible for ensuring that daily liquidity position complies with the risk management policy of the subsidiary operating a banking business and regulatory requirement. On the other hand, the Risk Management function will monitor and control liquidity risk based on the prescribed risk limits.

The key liquidity risk management policies involve the management of cash flow maturity profiles, deposit concentrations, liquidity reserve assets and emergency contingency plan. Liquidity risk strategies will take into account market liquidity and how unexpected changes would affect the subsidiary's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities will then be consistently maintained and regularly monitored, together with the level of liquidity reserve assets. The procurement and concentration of funding sources will be well-planned to optimise risk and return. Contingency procedures for liquidity management in the times of unexpected financial crisis must be established and made ready for timely activation. In addition to the liquidity risk measurement, the subsidiary sets the limit of loan to total borrowing ratio and liquidity reserve asset level. The position of liquidity risk is monitored daily and reported to the management and other relevant functions.

The subsidiary has set stress testing scenarios for liquidity risk where the scenarios cover the subsidiary's specific scenarios and industry-based scenarios, which cause unusual cash outflow from the subsidiary.

The main sources of fund came from deposits. In the past, there was high rollover rate for matured deposits. Besides, the subsidiary also issues subordinated and unsubordinated debentures as another source of fund. On the uses of fund, the majority of fund is used in lending business while a proportion of fund is maintained as liquidity reserve assets to cushion against liquidity risk. Moreover, the subsidiary provides credit line to other companies under TISCO Group to support liquidity position if required.

The matured liabilities are generally rolled-over with 90 percent average rollover rate. By taking into account high rollover rate, the cash outflow at maturity will be lower than those presented by contractual maturity. On the other hand, the liabilities with remaining maturity of less than three months comprise current deposits and saving deposits. Both current deposits and saving deposits are considered to be more stable than term deposits in terms of cash outflow.

3.37.3.1 Volume and composition of highly liquid assets and internal ratio

	(Unit: Million Baht)	
	As at 31 December	
	2022	2021
Composition of highly liquid assets		
Cash	1,000	1,099
Interbank and money market	39,069	29,062
Current investments	3,222	6,858
Total highly liquid assets	<u>43,291</u>	<u>37,019</u>
Liquid asset requirement based on the subsidiary's internal policy	28,020	22,052

The subsidiary operating a banking business has a policy to maintain the internal highly liquid assets higher than the liquid asset requirement. As at 31 December 2022 and 2021, the subsidiary has highly liquid assets higher than the internal liquid asset requirement. In addition, the subsidiary has operating cash inflows from

business, and available credit lines from other financial institutions which are available to support uncertain liquidity requirement.

3.37.3.2 Counting from the financial statements date, as at 31 December 2022 and 2021, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial assets								
Cash	1,005	-	-	-	-	-	-	1,005
Interbank and money market items	2,802	37,471	-	-	-	-	-	40,273
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,172	-	2,172
Derivatives assets	-	147	-	-	-	-	-	147
Investments	-	997	2,184	582	-	-	227	3,990
Loans to customers	3,681	14,341	41,769	112,039	44,013	-	4,883	220,726
Securities and derivatives								
business receivables - net	-	611	-	-	-	-	-	611
Other assets - receivables from clearing house	-	641	-	-	-	-	-	641
Other assets - accrued interest receivables on investments	-	2	-	-	-	-	5	7
Other assets - fee and service receivables	-	505	-	-	-	-	-	505
Other assets - other receivables	4	733	-	11	-	-	-	748
	<u>7,492</u>	<u>55,448</u>	<u>43,953</u>	<u>112,632</u>	<u>44,013</u>	<u>2,172</u>	<u>5,115</u>	<u>270,825</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2022								
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	Total
Financial liabilities								
Deposits	45,021	76,776	53,357	13,112	-	-	-	188,266
Interbank and money market items	528	249	470	4,948	-	-	-	6,195
Liabilities payable on demand	257	-	-	-	-	-	-	257
Debts issued and borrowings	37	7,880	-	2,800	5,040	-	-	15,757
Lease liabilities	-	21	142	462	75	-	-	700
Securities and derivatives								
business payables - net	-	1,247	-	-	-	-	-	1,247
Accrued interest payable	19	290	207	44	-	-	-	560
Other liabilities - accrued insurance premium	-	541	-	-	-	-	-	541
	<u>45,862</u>	<u>87,004</u>	<u>54,176</u>	<u>21,366</u>	<u>5,115</u>	<u>-</u>	<u>-</u>	<u>213,523</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	6	190	52	8	2	1,765	-	2,023
Other commitments	686	1,986	177	1,854	45	-	-	4,748

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial assets								
Cash	1,103	-	-	-	-	-	-	1,103
Interbank and money market items	2,042	28,448	-	-	-	-	-	30,490
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,081	-	2,081
Investments	-	5,151	2,662	3	-	-	227	8,043
Loans to customers	3,820	13,812	41,087	106,786	33,873	-	5,284	204,662
Securities and derivatives business receivables - net	-	1,131	-	-	-	-	-	1,131
Other assets - receivables from clearing house	-	396	-	-	-	-	-	396
Other assets - accrued interest receivables on investments	-	31	-	-	-	-	2	33
Other assets - fee and service receivables	-	480	-	-	-	-	-	480
Other assets - other receivables	-	728	-	-	-	-	-	728
	<u>6,965</u>	<u>50,177</u>	<u>43,749</u>	<u>106,789</u>	<u>33,873</u>	<u>2,081</u>	<u>5,513</u>	<u>249,147</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial	Total
							assets that are credit- impaired	
Financial liabilities								
Deposits	49,645	53,739	61,993	1,165	-	-	-	166,542
Interbank and money market item:	693	1,136	2,838	3,414	-	-	-	8,081
Liabilities payable on demand	274	-	-	-	-	-	-	274
Derivatives liabilities	-	-	3	-	-	-	-	3
Debts issued and borrowings	37	8,285	-	-	6,640	-	-	14,962
Lease liabilities	-	20	169	458	60	-	-	707
Securities and derivatives business payables - net	-	1,521	-	-	-	-	-	1,521
Accrued interest payable	18	285	174	5	-	-	-	482
Other liabilities - accrued insurance premium	-	526	-	-	-	-	-	526
	<u>50,667</u>	<u>65,512</u>	<u>65,177</u>	<u>5,042</u>	<u>6,700</u>	<u>-</u>	<u>-</u>	<u>193,098</u>
Commitments and contingent liabilities								
Avals to bills and other guarantees	1	-	34	-	-	491	-	526
Other commitments	-	-	1,563	963	-	-	-	2,526

(Unit: Million Baht)

Separate financial statements as at 31 December 2022

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-	Total
							impaired	
Financial assets								
Interbank and money market items	27	-	-	-	-	-	-	27
Financial assets measured at fair value through profit or loss	-	-	-	-	-	955	-	955
Investments	-	-	-	-	-	-	202	202
Loans to customers	4,290	-	-	-	-	-	-	4,290
Other assets - accrued interest receivables on investments	-	-	-	-	-	-	5	5
Other assets - fee and service receivables	-	120	-	-	-	-	-	120
	<u>4,317</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>955</u>	<u>207</u>	<u>5,599</u>
Financial liabilities								
Interbank and money market items	550	-	-	-	-	-	-	550
Debts issued and borrowings	-	7,880	-	-	-	-	-	7,880
Accrued interest payable	-	15	-	-	-	-	-	15
	<u>550</u>	<u>7,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,445</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2021

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-	Total
							impaired	
Financial assets								
Interbank and money market items	23	-	-	-	-	-	-	23
Financial assets measured at fair value through profit or loss	-	-	-	-	-	1,049	-	1,049
Investments	-	-	-	-	-	-	202	202
Loans to customers	3,310	-	-	-	-	-	-	3,310
Other assets - accrued interest receivables on investments	-	-	-	-	-	-	2	2
Other assets - fee and service receivables	-	121	-	-	-	-	-	121
	<u>3,333</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,049</u>	<u>204</u>	<u>4,707</u>
Financial liabilities								
Interbank and money market items	565	-	-	-	-	-	-	565
Debts issued and borrowings	-	6,065	-	-	-	-	-	6,065
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	11	-	-	-	-	-	11
	<u>565</u>	<u>6,076</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,642</u>

Regarding the disclosure of the Financial Business Group's Liquidity Coverage Ratio as at 31 December 2022, it will be disclosed via the Company's website by April 2023.

3.37.4 Derivatives

As at 31 December 2022 and 2021, the subsidiary operating a banking business has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets. The subsidiary classified them as trading derivatives and measured them at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2022		
Maturity	Notional amount	Gain on measurement of fair value
2023	1,740	147

(Unit: Million Baht)

As at 31 December 2021		
Maturity	Notional amount	Loss on measurement of fair value
2022	1,513	(3)

3.38 Fair value hierarchy

3.38.1 As at 31 December 2022 and 2021, the Group has assets and liabilities that are measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				Total
	As at 31 December 2022				
	Book value	Fair value			
	Level 1	Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,389	425	-	964	1,389
Unit trusts	784	726	58	-	784
Derivatives assets					
Foreign exchange contracts	147	-	147	-	147
Investments - debt instruments	3,990	-	3,763	227	3,990
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,362	-	-	2,362	2,362
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,005	1,005	-	-	1,005
Interbank and money market items	40,272	2,802	37,470	-	40,272
Loans to customers and accrued interest receivables	208,881	-	53,103	161,889	214,992
Securities and derivatives business receivables - net	611	-	611	-	611
Other assets - receivables from clearing house	641	-	641	-	641
Other assets - accrued interest receivables on investments	2	-	2	-	2
Other assets - fee and service receivables	505	-	505	-	505
Other assets - other receivables	727	-	727	-	727
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	188,266	44,750	143,516	-	188,266
Interbank and money market items	6,195	428	5,767	-	6,195
Liabilities payable on demand	257	257	-	-	257
Debts issued and borrowings	15,757	-	15,368	-	15,368
Securities and derivatives business payables - net	1,247	-	1,247	-	1,247
Accrued interest payable	560	5	555	-	560
Other liabilities - accrued insurance premium	541	-	541	-	541

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2021					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,215	425	-	790	1,215
Unit trusts	866	807	59	-	866
Investments - debt instruments	8,043	-	7,816	227	8,043
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities					
Foreign exchange contracts	3	-	3	-	3
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,393	-	-	2,393	2,393
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,103	1,103	-	-	1,103
Interbank and money market items	30,489	2,041	28,448	-	30,489
Loans to customers and accrued interest receivables	192,922	-	41,396	156,549	197,945
Securities and derivatives business receivables - net	1,131	-	1,131	-	1,131
Other assets - receivables from clearing house	396	-	396	-	396
Other assets - accrued interest receivables on investments	31	-	31	-	31
Other assets - fee and service receivables	480	-	480	-	480
Other assets - other receivables	715	-	715	-	715
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	166,542	49,094	117,448	-	166,542
Interbank and money market items	8,081	1,627	6,454	-	8,081
Liabilities payable on demand	274	274	-	-	274
Debts issued and borrowings	14,962	-	14,459	-	14,459
Securities and derivatives business payables - net	1,521	-	1,521	-	1,521
Accrued interest payable	482	6	476	-	482
Other liabilities - accrued insurance premium	526	-	526	-	526

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2022				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
Equity instruments	229	229	-	-	229
Unit trusts	726	726	-	-	726
Investments - debt instruments	202	-	-	202	202
Assets measured at fair value					
Investment properties	911	-	-	911	911
Office condominiums	633	-	-	633	633
Financial assets for which fair value is disclosed					
Interbank and money market items	27	27	-	-	27
Loans to customers and accrued interest receivables	4,284	-	-	4,284	4,284
Other assets - fee and service receivables	120	-	120	-	120
Financial liabilities for which fair value is disclosed					
Interbank and money market items	550	-	-	550	550
Debts issued and borrowings	7,880	-	7,880	-	7,880
Accrued interest payable	15	-	15	-	15

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss					
Equity instruments	241	241	-	-	241
Unit trusts	807	807	-	-	807
Investments - debt instruments	202	-	-	202	202
Assets measured at fair value					
Investment properties	911	-	-	911	911
Office condominiums	643	-	-	643	643
Financial assets for which fair value is disclosed					
Interbank and money market items	23	23	-	-	23
Loans to customers and accrued interest receivables	3,306	-	-	3,306	3,306
Other assets - fee and service receivables	121	-	121	-	121
Financial liabilities for which fair value is disclosed					
Interbank and money market items	565	-	-	565	565
Debts issued and borrowings	6,065	-	6,065	-	6,065
Accrued interest payable	11	-	11	-	11

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

3.38.2 A reconciliation of the financial assets measured at fair value which are categorised within level 3 of the fair value hierarchy is presented as follows:

	Consolidated financial statements			(Unit: Million Baht) Separate financial statements
	Investments -		Total	Investments - private sector debt instruments
	Non-marketable equity instruments	private sector debt instruments		
Balance as at 1 January 2022	790	227	1,017	202
Net gain recognised in profit or loss	174	-	174	-
Balance as at 31 December 2022	964	227	1,191	202

Key assumptions used in the valuation are summarised below.

Financial instruments	Valuation technique	Significant unobservable inputs		Sensitivity of the input to fair value
			Rates	
Investments in non-marketable equity instruments	Discounted future cash flows	Terminal growth rate	0%, 0.5%	1% increase in the terminal growth rate would result in an increase in fair value by Baht 56 million.
		Equity risk premium	9.70%	1% increase in the equity risk premium would result in a decrease in fair value by Baht 58 million.

Fair value of investments in private debt instruments is wholly determined using yield rates quoted by the Thai Bond Market Association. However, as they are investments in companies with weak financial positions and poor operating results, they are categorised within level 3, and sensitivity of the input to fair value has not been calculated.

4. Dividend payment

	Approved by	Dividend per share		Amounts of dividend paid	Dividend payment period
		Preference share	Ordinary share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividends for 2020	The 2021 Annual General Meeting of the Shareholders on 22 April 2021	6.30	6.30	5,044	May 2021
Total dividend payment in year 2021				5,044	
Annual dividends for 2021	The 2022 Annual General Meeting of the Shareholders on 25 April 2022	7.15	7.15	5,725	May 2022
Total dividend payment in year 2022				5,725	

5. Reclassification

The Group has reclassified some items in the statement of comprehensive income for the year ended 31 December 2021 in order to correspond to the classification in the current year. The reclassification does not impact profit or equity as previously reported, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the year ended 31 December 2021	
	As reclassified	As previously reported
Statement of comprehensive income		
Net fee and service income		
Fee and service income	6,117,752	6,130,361
Operating expenses		
Other operating expenses	937,569	950,178

6. Subsequent events

On 21 February 2023, the Board of Directors Meeting No. 1/2023 of the Company concurred to propose to the General Meeting of the shareholders to approve a dividend payment of Baht 7.75 per share to the ordinary and preference shareholders listed in the share register as at 24 April 2023 in respect of the operating results for the year 2022. The dividend is to be paid on 10 May 2023.

7. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2023.



TISCO Financial Group Public Company Limited

48/49 TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok, 10500 Thailand

Tel. 0 2633 6000 www.tisco.co.th