

TISCO Financial Group Public Company Limited
and its subsidiary companies
Report and consolidated financial statements
31 December 2022

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.

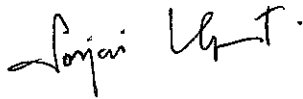
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material 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

(Unit: Thousand Baht)

	Note	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

(Unit: Thousand Baht)

	Note	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
		<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>	<u>8,006,555</u>
Share premium					
Share premium on preference shares		-	-	87	87
Share premium on ordinary shares		1,018,408	1,018,408	7,031,436	7,031,436
		<u>1,018,408</u>	<u>1,018,408</u>	<u>7,031,523</u>	<u>7,031,523</u>
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)



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


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		Separate	
		financial statements	financial statements	financial statements	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		
		<u>7,224,539</u>	<u>6,784,993</u>		
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		
		<u>7,314,560</u>	<u>6,781,841</u>		
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	
	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	-	-

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

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													
Issued and paid-up		Share premium on ordinary shares	Surplus on changes in value of investments measured at fair value through other comprehensive income		Surplus on revaluation of assets	Share of other comprehensive income of joint venture (loss)	Adjustment from business combination of entities under common control under holding restructuring plan	Total	Retained earnings		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Preference shares	Ordinary shares		income	of assets					Appropriated	Unappropriated			
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									
	Issued and paid-up		Share premium		Surplus (deficit) on changes in value of investments		Total	Retained earnings		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 (Underperforming 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

Investments in joint venture are 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

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 accumulated amortisation and 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 computer software 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 or 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 Group has financial risks associated with financial instruments and has financial risk management policy as 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 or 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 2022 and 2021 is provided below.

(Unit: Percent)

Company's name	Nature of business	Country of incorporation	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 a classification of significant financial assets and financial liabilities as follows:

(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
<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
<u>Financial liabilities</u>				
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
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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 (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
	<u>1,475,435</u>	<u>2,172,386</u>	<u>1,475,435</u>	<u>2,081,052</u>
Add: Allowance for changes in value	696,951		605,617	
Total	<u><u>2,172,386</u></u>		<u><u>2,081,052</u></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
	<u>1,096,202</u>	<u>954,994</u>	<u>1,096,202</u>	<u>1,048,821</u>
Less: Allowance for changes in value	(141,208)		(47,381)	
Total	<u><u>954,994</u></u>		<u><u>1,048,821</u></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 as at 31 December		Type of restrictions
	2022	2021	
Government debt securities	2	2	Pledge 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 totalling 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 -		Dividend received	
		as at 31 December		cost method as at		for the years ended	
		2022	2021	31 December		31 December	
		2022	2021	2022	2021	2022	2021
		(%)	(%)				
Subsidiaries directly held by the Company							
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 Investments in joint venture

a) Details of investments in joint venture

Investments in joint venture (TISCO Tokyo Leasing Co., Ltd., which is engaged in a leasing business) represent investments 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 investments in joint venture in the consolidated financial statements and recognised dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Consolidated financial statements				Separate financial statements	
	Share of profit for the years ended		Share of other comprehensive income (loss) for the years ended		Dividend received 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

	(Unit: Thousand Baht)	
	As at 31 December	
	2022	2021
Total assets	5,361,122	6,160,762
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

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2022	2021
Total revenues	295,448	290,422
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	<u>208,881,383</u>	<u>192,922,000</u>

	(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	<u>4,284,423</u>	<u>3,305,697</u>

3.8.2 Classified by residency of debtors

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		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	<u>219,003,799</u>	<u>202,949,673</u>	<u>4,290,000</u>	<u>3,310,000</u>

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 and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	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)	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 and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	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)	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 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				
	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
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	735	-	-	-	735
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	-	-	199,921	-	199,921
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	-	-	8,896	-	8,896

Consolidated financial statements

For the year ended 31 December 2022

	Financial assets				Total
	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					
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>
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	<u>-</u>	<u>-</u>	<u>5,173</u>	<u>-</u>	<u>5,173</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,345</u>	<u>21,345</u>

(Unit: Thousand Baht)

Consolidated financial statements

For the year ended 31 December 2021

	Financial assets					Total
	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	
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
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					Total
	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	
Other assets - accrued interest receivables on investments						
Balance - beginning of year	-	-	4,636	-	-	4,636
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					
	Debt instruments measured at fair value		Loans to customers and accrued interest receivables		Total
	Interbank and money market items	through other comprehensive income	Debt instruments measured at amortised cost		
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	Debt instruments measured at amortised cost	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			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)	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)
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	Increase in fair value
	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	Increase in fair value

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 as at 31 December		Separate financial statements 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	Cost basis				
	basis	Land	Buildings and improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
	Office condominiums and building improvements					
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			
	Revaluation basis	Cost basis		
	Office condominiums and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	Total
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 condominiums 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		Separate financial statements	
	as 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	<u>99,603</u>	<u>130,919</u>	<u>62,682</u>	<u>74,171</u>

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	<u>99,603</u>	<u>130,919</u>	<u>62,682</u>	<u>74,171</u>

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		Maturity in the year	Interest rate
	as at 31 December			as at 31 December			
	2022	2021		2022	2021		
	(Million units)	(Million units)		(Million Baht)	(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	2021	2022	2021	2022	2021		
		(Million units)	(Million units)	(Million Baht)	(Million Baht)	(Million Baht)	(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 and financial guarantees 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 and financial guarantees 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 as at 31 December		Separate financial statements 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	7,100,237	7,458,365	1,438,918	1,680,799

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)

	As at 31 December			
	2022		2021	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Capital fund ratios				
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:

(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
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	86,420	403,826	(93,783)	(134,315)

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	<u>722,677</u>	<u>2,063,979</u>	<u>4,264</u>	<u>10,101</u>

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	<u>1,766,722</u>	<u>1,707,764</u>	<u>113,167</u>	<u>43,548</u>

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	<u>(20,656)</u>	<u>(36)</u>	<u>(4,995)</u>	<u>3,135</u>

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
<u>Outstanding balances</u>		
(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 a 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 management 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 management 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	<u>16,350</u>	<u>1,405</u>	<u>2,105</u>	<u>7,670</u>	<u>27,530</u>	<u>(8,707)</u>	<u>18,823</u>
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	<u>16,350</u>	<u>1,405</u>	<u>2,105</u>	<u>7,670</u>	<u>27,530</u>	<u>(8,707)</u>	<u>18,823</u>
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	<u>(10,329)</u>	<u>(663)</u>	<u>(786)</u>	<u>(2,654)</u>	<u>(14,432)</u>	<u>4,102</u>	<u>(10,330)</u>
Segment profit before income tax expenses	<u>6,021</u>	<u>742</u>	<u>1,319</u>	<u>5,016</u>	<u>13,098</u>	<u>(4,605)</u>	8,493
Income tax expenses							(1,708)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							<u>6,785</u>

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				Asset management business		Consolidated financial statements
	Securities business	Support business	Total segments	Eliminations			
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							
	Commercial banking and lending business				Asset management business		Consolidated financial statements
	Securities business	Support business	Total segments	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	630
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:

	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 at 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

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 income					
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 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

	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
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

	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	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
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

	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					
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)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
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)

Consolidated financial statements as at 31 December 2022

Transactions	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
<u>Financial assets</u>				
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>
<u>Financial liabilities</u>				
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

Transactions	Outstanding balances of financial instruments			
	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)

Separate financial statements as at 31 December 2021

Transactions	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)

Consolidated financial statements as at 31 December 2022							
Transactions	Repricing or maturity date					Total	Interest rates (%)
	At call	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	Repricing or maturity date					Total	Interest rates (%)
	At call	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	Repricing or maturity date					Total	Interest rates (%)
	At call	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	Repricing or maturity date					Total	Interest rates (%)
	At call	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)

Transactions	Consolidated financial statements as at 31 December 2022							Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit-impaired	
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	Total
							assets that are credit- impaired	
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 assets that are credit- impaired	Total
Financial liabilities								
Deposits	49,645	53,739	61,993	1,165	-	-	-	166,542
Interbank and money market items	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
	50,667	65,512	65,177	5,042	6,700	-	-	193,098
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- impaired	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
	4,317	120	-	-	-	955	207	5,599
Financial liabilities								
Interbank and money market items	550	-	-	-	-	-	-	550
Debts issued and borrowings	-	7,880	-	-	-	-	-	7,880
Accrued interest payable	-	15	-	-	-	-	-	15
	550	7,895	-	-	-	-	-	8,445

(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-impaired	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>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				
	As at 31 December 2022				
	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	1,389	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	
<u>Financial assets measured at fair value</u>					
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
<u>Assets measured at fair value</u>					
Investment properties	911	-	-	911	911
Office condominiums	633	-	-	633	633
<u>Financial assets for which fair value is disclosed</u>					
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
<u>Financial liabilities for which fair value is disclosed</u>					
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	
<u>Financial assets measured at fair value</u>					
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
<u>Assets measured at fair value</u>					
Investment properties	911	-	-	911	911
Office condominiums	643	-	-	643	643
<u>Financial assets for which fair value is disclosed</u>					
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
<u>Financial liabilities for which fair value is disclosed</u>					
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			Separate financial statements
	Non-marketable equity instruments	Investments - private sector debt instruments	Total	Investments - 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	Rates	Sensitivity of the input to fair value
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
		Preference	Ordinary	dividend paid	payment period
		share	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				<u>5,044</u>	
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				<u>5,725</u>	

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.