

TISCO Bank Public Company Limited  
Review report and interim financial information  
31 March 2021

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statement of financial position of TISCO Bank Public Company Limited as at 31 March 2021, the related statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

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

### **Emphasis of Matter**

I draw attention to Notes 1.2 and 3.6.2 to the interim financial statements regarding the COVID-19 pandemic which is impacting various businesses and industries. This situation could create uncertainties and may be impacting the operating results and cash flows in the future; and due to the impact of that situation, the Bank has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.



Somjai Khunapasut  
Certified Public Accountant (Thailand) No. 4499

EY Office Limited  
Bangkok: 12 May 2021

**TISCO Bank Public Company Limited**

**Statement of financial position**

**As at 31 March 2021**

(Unit: Thousand Baht)

	Note	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
<b>Assets</b>			
Cash		1,121,272	1,215,903
Interbank and money market items - net	3.2, 3.8	35,697,330	36,960,771
Financial assets measured at fair value through profit or loss	3.3	753,336	758,539
Derivatives assets	3.4	-	62,095
Investments - net	3.5, 3.8	7,419,313	9,432,775
Loans to customers and accrued interest receivables	3.6, 3.8		
Loans to customers		233,080,188	240,771,111
Accrued interest receivables and undue interest income		1,625,829	1,669,202
Total loans to customers and accrued interest receivables		234,706,017	242,440,313
Less: Deferred revenue		(17,187,242)	(17,700,160)
Less: Allowance for expected credit loss	3.7	(11,339,997)	(10,938,183)
Total loans to customers and accrued interest receivables - net		206,178,778	213,801,970
Properties foreclosed - net		23,454	28,667
Investment properties		28,152	28,152
Premises and equipment - net	3.9	744,299	758,055
Right-of-use assets - net	3.10	423,247	466,673
Intangible assets - net		70,268	90,770
Deferred tax assets	3.24	230,959	260,769
Other assets	3.11	968,072	1,055,894
<b>Total assets</b>		<b>253,658,480</b>	<b>264,921,033</b>

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

**TISCO Bank Public Company Limited****Statement of financial position (continued)****As at 31 March 2021**

(Unit: Thousand Baht)

	Note	31 March 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits	3.12	199,152,488	204,859,398
Interbank and money market items		4,449,087	5,517,289
Liabilities payable on demand		391,456	1,284,765
Derivatives liabilities	3.4	26,836	-
Debts issued and borrowings	3.13	8,876,919	11,196,919
Lease liabilities	3.14	409,927	447,970
Provisions	3.15	812,962	833,152
Accrued interest payable		641,444	734,307
Income tax payable		435,756	278,006
Dividend payable		-	1,889,214
Other liabilities	3.16	4,927,237	5,224,507
<b>Total liabilities</b>		<b>220,124,112</b>	<b>232,265,527</b>

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

TISCO Bank Public Company Limited  
Statement of financial position (continued)  
As at 31 March 2021

	Note	31 March 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
(Unit: Thousand Baht)			
<b>Equity</b>			
Share capital			
Registered			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Issued and fully paid-up			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Share premium on ordinary shares		2,543,024	2,543,024
Other components of equity		305,468	309,469
Retained earnings			
Appropriated - statutory reserve		984,000	984,000
Unappropriated		20,486,199	19,603,336
<b>Total equity</b>		<u>33,534,368</u>	<u>32,655,506</u>
<b>Total liabilities and equity</b>		<u>253,658,480</u>	<u>264,921,033</u>

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



Mr. Sakchai Peechapat  
(Executive Director)



Mr. Metha Pingsuthiwong  
(President)



ธนาคารทีเอสซี จำกัด (มหาชน)  
TISCO Bank Public Company Limited

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income**

**For the three-month period ended 31 March 2021**

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

	Note	2021	2020
<b>Profit or loss:</b>			
Interest income	3.18	3,452,141	4,206,636
Interest expenses	3.19	(655,381)	(1,072,214)
<b>Net interest income</b>		<b>2,796,760</b>	<b>3,134,422</b>
Fee and service income		485,748	568,791
Fee and service expenses		(20,471)	(19,057)
<b>Net fee and service income</b>	3.20	<b>465,277</b>	<b>549,734</b>
Net gain (loss) on financial instruments measured at fair value through profit or loss	3.21	57,133	(4,423)
Net gain on investments	3.22	3,098	1,345
Penalty fee income from loans		42,452	57,194
Other operating income		43,569	57,773
<b>Total operating income</b>		<b>3,408,289</b>	<b>3,796,045</b>
<b>Operating expenses</b>			
Employee expenses		555,576	613,907
Premises and equipment expenses		293,075	318,910
Taxes and duties		59,998	74,115
Intercompany supporting fee expenses	3.26	581,588	566,366
Other operating expenses		160,086	188,333
<b>Total operating expenses</b>		<b>1,650,323</b>	<b>1,761,631</b>
Expected credit loss	3.23	655,042	790,310
<b>Profit from operations before income tax expenses</b>		<b>1,102,924</b>	<b>1,244,104</b>
Income tax expenses	3.24	220,635	246,683
<b>Profit for the period</b>		<b>882,289</b>	<b>997,421</b>

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 31 March 2021**

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

	Note	2021	2020
<b>Other comprehensive income:</b>			
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>			
Gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income		(4,427)	10,161
Income tax effects		885	(2,032)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(3,542)	8,129
<b>Other comprehensive income for the period (loss)</b>		(3,542)	8,129
<b>Total comprehensive income for the period</b>		878,747	1,005,550
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)	3.25	0.96	1.08

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



(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Cash flow statement**

**For the three-month period ended 31 March 2021**

	(Unit: Thousand Baht)	
	2021	2020
<b>Cash flows from operating activities</b>		
Profit from operations before income tax	1,102,924	1,244,104
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	78,001	85,977
Expected credit loss	1,075,046	1,227,679
Reversal of allowance for impairment of properties foreclosed	(335)	(59)
Gain on disposal of investments in securities	(31,067)	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	37,357	(21,789)
(Gain) loss on financial instruments measured at fair value through profit or loss	(20,118)	1,060
(Gain) loss on disposal/written-off of equipment and intangible assets	(6)	280
Gain on disposal of properties foreclosed	(5,650)	(5,213)
Employee benefit expenses	(8,095)	50,146
Decrease in accrued income	3,912	68,510
Decrease in accrued expenses	(37,212)	(323,547)
Net interest income	(2,796,760)	(3,134,422)
Dividend income	(25,371)	(28,795)
Cash received on interest income	3,473,623	4,168,578
Cash paid on interest expenses	(621,647)	(785,063)
Cash received on dividend income	25,371	28,595
Cash paid on income tax	(32,073)	(35,255)
Profit from operating activities before changes in operating assets and liabilities	2,217,900	2,540,786
Operating assets (increase) decrease		
Interbank and money market items	1,265,248	(6,741,675)
Loans to customers	6,496,624	4,431,205
Properties foreclosed	5,549	2,310
Other assets	86,823	194,294

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Cash flow statement (continued)**

**For the three-month period ended 31 March 2021**

	(Unit: Thousand Baht)	
	2021	2020
Operating liabilities increase (decrease)		
Deposits	(5,706,910)	3,243,190
Interbank and money market items	(1,068,202)	80,194
Liabilities payable on demand	(893,309)	(54,879)
Short-term debts issued and borrowings	(2,320,000)	2,320,000
Provision for long-term employee benefits	(2,800)	(3,756)
Other liabilities	(309,780)	(281,906)
<b>Net cash flows from (used in) operating activities</b>	<b>(228,857)</b>	<b>5,729,763</b>
<b>Cash flows from investing activities</b>		
Cash paid for purchase of investments in securities	(4,155,130)	(12,044,456)
Cash received from disposal of investments in securities	6,219,672	8,438,802
Cash paid for purchase of equipment	(1,177)	(22,015)
Cash paid for purchase of intangible assets	(1,785)	(942)
Cash received from disposal of equipment	6	15
<b>Net cash flows from (used in) investing activities</b>	<b>2,061,586</b>	<b>(3,628,596)</b>
<b>Cash flows from financing activities</b>		
Cash received from issuance of long-term debentures	-	2,220,000
Cash paid on lease liabilities	(38,146)	(44,916)
Dividend paid	(1,889,214)	(4,100,976)
<b>Net cash flows used in financing activities</b>	<b>(1,927,360)</b>	<b>(1,925,892)</b>
<b>Net increase (decrease) in cash</b>	<b>(94,631)</b>	<b>175,275</b>
Cash at beginning of the period	1,215,903	1,099,247
<b>Cash at end of the period</b>	<b>1,121,272</b>	<b>1,274,522</b>
	-	
<b>Supplemental cash flows information</b>		
Non-cash transactions		
Right-of-use assets	-	1,424
Transfer-in of properties foreclosed in settlement of loans to customers	311,232	359,958

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of changes in equity**

**For the three-month period ended 31 March 2021**

(Unit: Thousand Baht)

	Issued and fully paid-up		Share premium on ordinary shares	Other components of equity		Retained earnings				
	Preference shares	Ordinary shares		measured at fair value through other comprehensive income	Surplus on changes in value of investments in debt instruments	Surplus on revaluation of assets	Total	Appropriated	Unappropriated	Total
<b>Balance as at 1 January 2020</b>	1	9,215,676	2,543,024	3,694	306,261	309,955	984,000	18,690,004	31,742,660	
Profit for the period	-	-	-	-	-	-	-	997,421	997,421	
Other comprehensive income for the period	-	-	-	8,129	-	8,129	-	-	8,129	
Total comprehensive income for the period	-	-	-	8,129	-	8,129	-	997,421	1,005,550	
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(463)	(463)	-	578	115	
<b>Balance as at 31 March 2020</b>	1	9,215,676	2,543,024	11,823	305,798	317,621	984,000	19,688,003	32,748,325	
<b>Balance as at 1 January 2021</b>	1	9,215,676	2,543,024	5,070	304,399	309,469	984,000	19,603,336	32,655,506	
Profit for the period	-	-	-	-	-	-	-	882,289	882,289	
Other comprehensive income for the period (loss)	-	-	-	(3,542)	-	(3,542)	-	-	(3,542)	
Total comprehensive income for the period	-	-	-	(3,542)	-	(3,542)	-	882,289	878,747	
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(459)	(459)	-	574	115	
<b>Balance as at 31 March 2021</b>	1	9,215,676	2,543,024	1,528	303,940	305,468	984,000	20,486,199	33,534,368	

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

**TISCO Bank Public Company Limited**  
**Notes to interim financial statements**  
**For the three-month period ended 31 March 2021**

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

**1.1 Basis for preparation of interim financial information**

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting and with reference to the regulation as stipulated by the Bank of Thailand (“BOT”), with the Bank choosing to present condensed interim financial information. However, the Bank has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements, and their presentation 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 interim financial information is intended to provide information additional to that included in the latest annual financial statements. Accordingly, it focuses on new activities, events and circumstances so as not to duplicate information previously reported. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official statutory financial statements of the Bank. The interim financial information in English language has been translated from the Thai language interim financial information.

**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 Bank’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 New financial reporting standards**

#### **a) Financial reporting standards that became effective in the current period**

During the period, the Bank has adopted the revised financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2021. 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 Bank's financial statements.

#### **b) Financial reporting standards that will become effective for fiscal year beginning on or after 1 January 2022**

The Federation of Accounting Professions issued amendments to Thai Financial Reporting Standard 16 Leases that provide temporary exemptions from the impact of interest rate benchmark reform for a lessee, provided that all specified conditions are to be met.

The management of the Bank believes that the adoption of these amendments will not have any significant impact on the Bank's financial statements.

### **1.4 Impacts of an expiration of Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

As the temporary relief measures on accounting alternatives is no longer applicable for the period after 31 December 2020, during the current period the Bank recognised fair value of investments in non-marketable equity instruments as at 31 March 2021 and recognised the difference resulting from this impact totalling Baht 20 million as part of operating income in the statement of comprehensive income for the three-month period ended 31 March 2021.

### **1.5 Significant accounting policies**

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

## 2. General information

### 2.1 The Bank's information

TISCO Bank Public Company Limited ("the Bank") is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate a commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 31 March 2021, the Bank has 57 branches in Thailand (As at 31 December 2020: 58 branches).

### 2.2 Related party transactions

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

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

## 3. Supplemental information

### 3.1 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	As at 31 March 2021			Total
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	
<b><u>Financial assets</u></b>				
Cash	-	-	1,121,272	1,121,272
Interbank and money market items - net	-	-	35,697,330	35,697,330
Financial assets measured at fair value				
through profit or loss	753,336	-	-	753,336
Investments - net	-	7,419,313	-	7,419,313
Loans to customers and accrued interest				
receivables - net	-	-	206,178,778	206,178,778

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at 31 March 2021

	Financial instruments measured at fair value through other comprehensive income		Financial instruments measured at amortised cost	Total
<b><u>Financial liabilities</u></b>				
Deposits	-	-	199,152,488	199,152,488
Interbank and money market items	-	-	4,449,087	4,449,087
Liabilities payable on demand	-	-	391,456	391,456
Derivatives liabilities	26,836	-	-	26,836
Debts issued and borrowings	-	-	8,876,919	8,876,919
Lease liabilities	-	-	409,927	409,927
Accrued interest payable	-	-	641,444	641,444

(Unit: Thousand Baht)

As at 31 December 2020

	Financial instruments measured at fair value through profit or loss		Financial instruments measured at amortised cost	Total
<b><u>Financial assets</u></b>				
Cash	-	-	1,215,903	1,215,903
Interbank and money market items - net	-	-	36,960,771	36,960,771
Financial assets measured at fair value through profit or loss	758,539	-	-	758,539
Derivatives assets	62,095	-	-	62,095
Investments - net	-	9,432,775	-	9,432,775
Loans to customers and accrued interest receivables - net	-	-	213,801,970	213,801,970
<b><u>Financial liabilities</u></b>				
Deposits	-	-	204,859,398	204,859,398
Interbank and money market items	-	-	5,517,289	5,517,289
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	11,196,919	11,196,919
Lease liabilities	-	-	447,970	447,970
Accrued interest payable	-	-	734,307	734,307

(Unaudited but reviewed)

### 3.2 Interbank and money market items (assets)

As at 31 March 2021 and 31 December 2020, interbank and money market items include securities purchases under resale agreements made by the Bank according to private repurchase transactions, with the securities received under the resale agreements being used as collateral, as detailed below.

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at	
	31 March 2021	31 December 2020
	Commercial banks	17,000,000
Specialised Financial Institutions	17,000,000	14,700,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at	
	31 March 2021	31 December 2020
	Commercial banks	16,285,600
Specialised Financial Institutions	17,149,500	14,747,200

### 3.3 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	As at			
	31 March 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
<b>Others</b>				
Domestic marketable equity instruments	9,320	3,640	9,320	2,620
Domestic non-marketable equity instruments	221,274	749,696	246,596	755,919
	230,594	753,336	255,916	758,539
Add: Allowance for changes in value	522,742		502,623	
Total	753,336		758,539	



(Unaudited but reviewed)

Investments in non-marketable equity instruments include investments in which the Bank holds not less than 10 percent of the equity of the investees, as follows:

(Unit: Thousand Baht)

Securities' name	As at					
	31 March 2021			31 December 2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)	Fair value of investments	Unpaid amount	Percentage of holding (%)
<b>Services:</b>						
Jiji Press (Thailand) Co., Ltd.	1,348	300	10	1,825	300	10
<b>Trading import and export:</b>						
Juki (Thailand) Co., Ltd.	3,869	-	10	6,025	-	10
PDTL Trading Co., Ltd.	3,676	-	10	3,637	-	10
Wattana Inter-Trade Co., Ltd.	21,689	-	10	19,158	-	10
<b>Real estate:</b>						
UMI Property Co., Ltd.	3,928	-	10	4,031	-	10
<b>Industrial:</b>						
Siam Art Ceramic Co., Ltd.	9,311	-	10	11,268	-	10

### 3.4 Derivatives assets/derivatives liabilities

The Bank entered into foreign exchange contracts to manage the risk associated with financial assets, as follows:

(Unit: Thousand Baht)

Type of risks	As at					
	31 March 2021			31 December 2020		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	26,836	1,241,102	62,095	-	1,189,528
Total	-	26,836	1,241,102	62,095	-	1,189,528

All counterparties of these derivatives transactions are financial institutions.

(Unaudited but reviewed)

### 3.5 Investments

#### 3.5.1 Investments classified by type of investments

As at 31 March 2021 and 31 December 2020, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Government and state enterprise securities				
	7,392,402	7,394,498	9,401,437	9,407,960
Private sector debt securities	51,460	24,815	51,460	24,815
	<u>7,443,862</u>	<u>7,419,313</u>	<u>9,452,897</u>	<u>9,432,775</u>
Add: Surplus on changes in fair value	1,911		6,338	
Less: Allowance for expected credit loss	(26,460)		(26,460)	
Total	<u>7,419,313</u>		<u>9,432,775</u>	
<b>Investments in debt instruments measured at amortised cost</b>				
Investments in receivables	11,965		12,047	
Less: Allowance for expected credit loss	(11,965)		(12,047)	
Total	<u>-</u>		<u>-</u>	
Total investments	<u>7,419,313</u>		<u>9,432,775</u>	

#### 3.5.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at		Type of restrictions
	31 March 2021	31 December 2020	
Government debt securities	2	2	Pledge for electricity usage

(Unaudited but reviewed)

### 3.5.3 Investments in companies with weak financial positions and poor operating results

As at 31 March 2021 and 31 December 2020, investments in securities of the Bank include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	As at					
	31 March 2021			31 December 2020		
	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	51,460	24,815	26,460	51,460	24,815	26,460

## 3.6 Loans to customers and accrued interest receivables

### 3.6.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
<b>Loans to customers</b>		
Overdrafts	26,680	31,721
Loans	95,445,413	99,456,783
Hire purchase receivables	137,608,095	141,282,607
Less: Deferred revenue	(17,187,242)	(17,700,160)
Total loans to customers	215,892,946	223,070,951
Add: Accrued interest receivables and undue interest receivables	1,625,829	1,669,202
Total loans to customers and accrued interest receivables	217,518,775	224,740,153
Less: Allowance for expected credit loss	(11,339,997)	(10,938,183)
Loans to customers and accrued interest receivables - net	206,178,778	213,801,970

(Unaudited but reviewed)

**3.6.2 Classified by loan classification**

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	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)	186,126,968	5,947,928	190,435,185	5,172,224
Financial assets with significant increase in credit risk (Under-performing)	26,269,137	3,328,169	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	5,122,670	1,271,601	5,165,844	1,287,313
Allowance established in excess	-	792,299	-	1,056,399
<b>Total</b>	<b>217,518,775</b>	<b>11,339,997</b>	<b>224,740,153</b>	<b>10,938,183</b>

During the periods 2020 and 2021, the Bank has entered into the scheme to provide assistance to affected debtors and has elected to apply Accounting Guidance by the Federation of Accounting Professions on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy.

As at 31 March 2021, the Bank's outstanding loan balances under the relief measures totalled Baht 11,890 million. The balance consists of the debtors under principal holiday scheme or installment reduction (Subject to partial payments of principal and interest) of Baht 6,515 million, the debtors under debt moratorium scheme of Baht 54 million and the debtors receiving other forms of debt relief of Baht 5,321 million.

The Bank has allowance established in excess resulting from the calculation of the allowance for expected credit loss as of 1 January 2020, in accordance with TFRS 9: Financial Instruments, which was lower than the amount of allowance for doubtful accounts as at 31 December 2019 as determined in accordance with the former accounting policy by Baht 2,113 million. Such amount is being released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline. As a result, as at 31 March 2021 the balance of allowance established in excess remained at Baht 792 million.

**3.6.3 Classified by loan classification and type of debtors**

As at 31 March 2021 and 31 December 2020, loans to customers classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 31 March 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)	101,342	2,797	21,529	880	63,256	2,271	186,127	5,948
Financial assets with significant increase in credit risk (Under-performing)	17,292	1,615	5,466	750	3,511	963	26,269	3,328
Financial assets that are credit-impaired (Non-performing)	2,688	589	1,045	363	1,390	320	5,123	1,272
<b>Total</b>	<b>121,322</b>	<b>5,001</b>	<b>28,040</b>	<b>1,993</b>	<b>68,157</b>	<b>3,554</b>	<b>217,519</b>	<b>10,548</b>
Allowance established in excess								792
<b>Total</b>								<b>11,340</b>

(Unit: Million Baht)

	As at 31 December 2020							
	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)	102,361	2,325	22,199	827	65,875	2,020	190,435	5,172
Financial assets with significant increase in credit risk (Under-performing)	19,418	1,543	5,804	796	3,917	1,083	29,139	3,422
Financial assets that are credit-impaired (Non-performing)	2,741	602	1,053	371	1,372	315	5,166	1,288
<b>Total</b>	<b>124,520</b>	<b>4,470</b>	<b>29,056</b>	<b>1,994</b>	<b>71,164</b>	<b>3,418</b>	<b>224,740</b>	<b>9,822</b>
Allowance established in excess								1,056
<b>Total</b>								<b>10,938</b>

(Unaudited but reviewed)

**3.6.4 Hire purchase receivables**

As at 31 March 2021, receivables of the Bank under hire purchase amount to Baht 121,322 million (31 December 2020: Baht 124,520 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)

	As at 31 March 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 (Non- performing)	Total
Gross investment in the agreements	40,938	84,060	6,007	6,603	137,608
Less: Deferred revenue <sup>(1)</sup>	(5,098)	(7,619)	(290)	(4,007)	(17,014)
Present value of minimum lease payment from agreements	35,840	76,441	5,717	2,596	120,594
Accrued interest receivables	636	-	-	92	728
<b>Total</b>	<b>36,476</b>	<b>76,441</b>	<b>5,717</b>	<b>2,688</b>	<b>121,322</b>
Allowance for expected credit loss					(5,001)
<b>Net hire purchase receivables</b>					<b>116,321</b>

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

(Unit: Million Baht)

	As at 31 December 2020				
	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 (Non- performing)	Total
Gross investment in the agreements	41,536	85,772	7,394	6,580	141,282
Less: Deferred revenue <sup>(1)</sup>	(5,279)	(7,990)	(326)	(3,932)	(17,527)
Present value of minimum lease payment from agreements	36,257	77,782	7,068	2,648	123,755
Accrued interest receivables	672	-	-	93	765
<b>Total</b>	<b>36,929</b>	<b>77,782</b>	<b>7,068</b>	<b>2,741</b>	<b>124,520</b>
Allowance for expected credit loss					(4,470)
<b>Net hire purchase receivables</b>					<b>120,050</b>

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

**3.6.5 Troubled debt restructuring**

As at 31 March 2021 and 31 December 2020, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	31 March 2021		31 December 2020	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	7,599	2,436	8,856	2,762

**3.7 Allowance for expected credit loss**

As at 31 March 2021, the Bank has allowance for expected credit loss which is classified by type of financial assets as follows:

	(Unit: Thousand Baht)				
	For the three-month period ended 31 March 2021				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Allowance established in excess	Total
<b>Interbank and money market items (assets)</b>					
Balance - beginning of period	885	-	-	-	885
Changes from revaluation of allowance for credit loss/new financial assets/ derecognition	(516)	-	-	-	(516)
Balance - end of period	369	-	-	-	369
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>					
Balance - beginning of period	-	-	26,460	-	26,460
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of period	-	-	26,460	-	26,460

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2021

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Allowance established in excess	Total
<b>Investments in debt instruments</b>					
<b>measured at amortised cost</b>					
Balance - beginning of period	-	-	12,047	-	12,047
Changes from revaluation of allowance for credit loss	-	-	(82)	-	(82)
Balance - end of period	-	-	11,965	-	11,965
<b>Loans to customers and accrued interest</b>					
<b>receivables</b>					
Balance - beginning of period	5,172,224	3,422,247	1,287,313	1,056,399	10,938,183
Changes from transfers among stages	237,639	(291,155)	53,516	-	-
Changes from revaluation of allowance for credit loss	218,856	196,122	655,380	-	1,070,358
New financial assets	437,653	135,503	15,543	-	588,699
Derecognition	(118,444)	(134,548)	(58,785)	-	(311,777)
Write-off	-	-	(681,366)	-	(681,366)
Reduction in allowance established in excess	-	-	-	(264,100)	(264,100)
Balance - end of period	5,947,928	3,328,169	1,271,601	792,299	11,339,997
<b>Other assets - Accrued interest</b>					
<b>receivables on investments</b>					
Balance - beginning of period	-	-	525	-	525
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of period	-	-	525	-	525



### 3.8 Classification of assets

#### 3.8.1 Classification of assets under the BOT's guidelines

As at 31 March 2021 and 31 December 2020, classification of financial assets is as follows:

(Unit: Million Baht)

	As at 31 March 2021				Total
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	26,269	26,269
Financial assets that are credit-impaired (Non-performing)	-	25	12	5,123	5,160
<b>Total</b>	<b>35,698</b>	<b>7,419</b>	<b>12</b>	<b>217,519</b>	<b>260,648</b>

(Unit: Million Baht)

	As at 31 December 2020				Total
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	29,139	29,139
Financial assets that are credit-impaired (Non-performing)	-	25	12	5,166	5,203
<b>Total</b>	<b>36,962</b>	<b>9,433</b>	<b>12</b>	<b>224,740</b>	<b>271,147</b>

(Unaudited but reviewed)

**3.8.2 Loans to customers with weak financial position and poor operating results**

	Number of debtors		Loans to customers and accrued interest receivables				Allowance for expected credit loss provided in the accounts	
	as at		as at		Collateral value as at		as at	
	31		31		31		31	
	31 March	December	31 March	December	31 March	December	31 March	December
	2021	2020	2021	2020	2021	2020	2021	2020
			(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	499	500	305	315	499	500
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	8	8	844	890	483	430	89	108
<b>Total</b>	<b>9</b>	<b>9</b>	<b>1,343</b>	<b>1,390</b>	<b>788</b>	<b>745</b>	<b>588</b>	<b>608</b>

**3.9 Premises and equipment**

Movements of premises and equipment for the three-month period ended 31 March 2021 are as follows

(Unit: Thousand Baht)

**Cost**

1 January 2021	1,576,354
Additions	1,177
Disposals/transfers-out	(454)
31 March 2021	1,577,077

**Accumulated depreciation**

1 January 2021	818,299
Depreciation for the period	14,933
Accumulated depreciation on disposals/transfers-out	(454)
31 March 2021	832,778

**Net book value**

31 December 2020	758,055
31 March 2021	744,299

**3.10 Right-of-use assets**

Movements of right-of-use assets for the three-month period ended 31 March 2021 are as follows:

	(Unit: Thousand Baht)
<b>Cost</b>	
1 January 2021	628,334
Additions	-
Contract amendment	122
Contract termination	(24,273)
31 March 2021	<u>604,183</u>
<b>Accumulated depreciation</b>	
1 January 2021	161,661
Depreciation for the period	40,780
Accumulated depreciation on terminated contracts	(21,505)
31 March 2021	<u>180,936</u>
<b>Net book value</b>	
31 December 2020	<u>466,673</u>
31 March 2021	<u>423,247</u>

**3.11 Other assets**

	(Unit: Thousand Baht)	
	As at	
	<u>31 March 2021</u>	<u>31 December 2020</u>
Value added tax - net	275,206	359,789
Accrued interest receivables	20,707	17,764
Fee and service receivables	112,522	116,434
Deposits	60,613	60,503
Other receivables	328,819	309,957
Other assets	170,205	191,447
Total other assets	<u>968,072</u>	<u>1,055,894</u>

(Unaudited but reviewed)

### 3.12 Deposits

#### 3.12.1 Classified by type of deposits

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
Deposits		
Current accounts	3,026,775	3,766,484
Saving accounts	46,309,819	50,319,591
Fixed accounts		
- not over 6 months	13,930,073	12,761,123
- over 6 months but not over 1 year	26,643,071	27,901,720
- over 1 year	2,417,806	3,219,474
Certificates of deposits/negotiable certificates of deposits	106,824,944	106,891,006
Total	<u>199,152,488</u>	<u>204,859,398</u>

**3.12.2** As at 31 March 2021 and 31 December 2020, all outstanding deposits are deposits from domestic depositors and are in Baht.

#### 3.13 Debts issued and borrowings

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	6,620,000	6,620,000
Unsubordinated unsecured debentures	2,220,000	4,540,000
Bills of exchange	36,122	36,122
Promissory notes	797	797
Total	<u>8,876,919</u>	<u>11,196,919</u>

**3.13.1 Subordinated unsecured debentures**

As at 31 March 2021 and 31 December 2020, the Bank has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units as at		Face value (Baht) per unit)	Balance as at		Maturity in the year	Interest rate
	31 March 2021	31 December 2020		31 March 2021	31 December 2020		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	1,000	1,000	1,000	2027	4.00 percent per annum
2017	0.60	0.60	1,000	600	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
Total				6,620	6,620		

**3.13.2 Unsubordinated unsecured debentures**

As at 31 March 2021 and 31 December 2020, the Bank has short-term and long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at		Face value (Baht) per unit)	Balance as at		Maturity in the year	Interest rate
		31 March 2021	31 December 2020		31 March 2021	31 December 2020		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2020	Short-term debenture	-	2.32	1,000	-	2,320	2021	1.30 percent per annum
2020	Long-term debenture	2.22	2.22	1,000	2,220	2,220	2022	1.40 percent per annum
Total					2,220	4,540		

**3.13.3 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.

(Unaudited but reviewed)

**3.14 Lease liabilities**

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
Beginning balance	482,940	627,281
Increase during the period	-	69,772
Contract amendment	124	(885)
Paid during the period	(38,146)	(182,061)
Terminated during the period	(2,799)	(31,167)
Ending balance	442,119	482,940
Less: Deferred interest expenses	(32,192)	(34,970)
Lease liabilities - net	409,927	447,970
Current portion	(117,253)	(124,470)
Lease liabilities - net of current portion	292,674	323,500

**3.15 Provisions**

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
Allowance for expected credit loss on loan commitments	5,422	14,716
Provision for long-term employee benefits	807,540	818,436
Total provisions	812,962	833,152

As at 31 March 2021 and 31 December 2020, allowance for expected credit loss on loan commitments is classified by stage as follows:

(Unit: Thousand Baht)

	As at			
	31 March 2021		31 December 2020	
	Loan commitments	Allowance for expected credit loss	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,192,917	5,422	1,568,700	14,716
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	-	-	-
Total	1,192,917	5,422	1,568,700	14,716

**3.16 Other liabilities**

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
Withholding income tax and other tax payables	189,176	376,845
Accrued insurance premium	173,523	219,512
Deferred income	1,530,048	1,458,697
Accrued expenses	1,699,911	1,737,123
Suspense creditors	950,590	1,075,205
Other liabilities	383,989	357,125
Total other liabilities	<u>4,927,237</u>	<u>5,224,507</u>

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the parent company's share price, paid to employees whose performance impacts the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. This vested bonus is continuously set aside for payment five years later. It is paid in cash and determined based on the average daily price of the parent company's shares over the period of five years from grant date to settlement date. As of 31 March 2021 and 31 December 2020, the Bank has accrued bonus under this scheme amounting to Baht 177 million and Baht 157 million, respectively.

As at 31 December 2020, the above other liabilities include advances received from Electronic Funds Transfer transactions amounting to Baht 3 million (31 March 2021: no outstanding balance), and as at 31 March 2021 the Bank maintained an asset amounting to Baht 10 million (31 December 2020: Baht 13 million) to reserve for advances received through such transactions, presented under interbank and money market items (assets) in the statement of financial position.

### 3.17 Capital funds

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

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

Regarding Capital funds as at 31 March 2021 and 31 December 2020, the Bank has allocated the additional reserve from classification as part of regulatory capital funds. The reserve has been classified to Tier 1 capital and Tier 2 capital based on method under the BOT's regulation.

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

	(Unit: Thousand Baht)	
	As at	
	31 March 2021	31 December 2020
<b><u>Common Equity Tier I capital</u></b>		
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	17,713,142	17,713,142
Other components of equity	305,468	309,469
Less: Deductions from Common Equity Tier I items	(315,455)	(366,769)
<b>Total Common Equity Tier I capital</b>	<b>30,445,855</b>	<b>30,398,542</b>
<b><u>Financial Instrument Tier I capital</u></b>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
<b>Total Tier I capital</b>	<b>30,445,856</b>	<b>30,398,543</b>
<b><u>Tier II capital</u></b>		
Long-term subordinated debentures	6,620,000	6,620,000
Surplus of provision	738,548	741,712
Reserve for loans classified as normal	538,613	557,567
<b>Total Tier II capital</b>	<b>7,897,161</b>	<b>7,919,279</b>
<b>Total capital funds</b>	<b>38,343,017</b>	<b>38,317,822</b>



(Unaudited but reviewed)

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2021		31 December 2020	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	18.32	7.00	18.07	7.00
Tier I capital to risk assets	18.32	8.50	18.07	8.50
Total capital to risk assets	23.07	11.00	22.78	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 14/2562 regarding “Public Disclosure of Capital Maintenance for Commercial Banks (No. 2)”, the Bank has disclosed capital maintenance information as at 31 December 2020 on its website ([www.tisco.co.th](http://www.tisco.co.th)) in April 2021.

### 3.18 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2021	2020
Interbank and money market items	42,246	92,355
Investments in debt securities	18,107	28,647
Loans to customers and overdrafts	1,761,145	2,137,348
Hire purchase and finance lease	1,630,643	1,948,286
Total interest income	3,452,141	4,206,636

Interest income for the three-month periods ended 31 March 2021 and 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 70 million and Baht 81 million, respectively. The Bank fully recognised expected credit loss on such interest income.

**3.19 Interest expenses**

Interest expenses in the statements of comprehensive income for the three-month period ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Deposits	450,264	807,459
Interbank and money market items	1,708	3,652
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	123,818	134,728
Issued debt securities		
- Subordinated debentures	61,653	67,826
- Unsubordinated debentures	14,935	53,191
Borrowings	225	227
Others	2,778	5,131
Total interest expenses	<u>655,381</u>	<u>1,072,214</u>

**3.20 Net fee and service income**

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Fee and service income		
- Acceptance, aval and guarantees	1,653	1,433
- Insurance service	247,072	364,871
- Others	237,023	202,487
Total fee and service income	485,748	568,791
Fee and service expenses	(20,471)	(19,057)
Net fee and service income	<u>465,277</u>	<u>549,734</u>

**3.21 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 three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Gain (loss) on trading and foreign exchange transactions		
- Foreign currencies and derivatives on foreign exchange	3,790	(15,297)
- Debt securities	2,565	11,934
- Equity securities	50,778	(1,060)
Net gain (loss) on financial instruments measured at fair value through profit or loss	<u>57,133</u>	<u>(4,423)</u>

**3.22 Net gain on investments**

Net gain on investments in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Gain on derecognition		
- Debt instruments measured at fair value through other comprehensive income	407	-
- Debt instruments measured at amortised cost	2,691	1,345
Net gain on investments	<u>3,098</u>	<u>1,345</u>

(Unaudited but reviewed)

### 3.23 Expected credit loss

Expected credit loss and gain or loss from the modification of terms of financial assets in the statements of comprehensive income for the three-month periods ended 31 March 2021 and 2020 consisted of the following:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Expected credit loss		
- Interbank and money market items (reversal)	(516)	466
- Investments in debt instruments measured at amortised cost (reversal)	(82)	(225)
- Investments in debt instruments measured at fair value through other comprehensive income	-	3,320
- Loans to customers	663,176	757,907
Loss from the modification of terms		
- Loans to customers	1,758	27,997
Loan commitments	(9,294)	845
Total	655,042	790,310

### 3.24 Income tax expenses

Income tax expenses of the Bank for the three-month periods ended 31 March 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Current income tax:		
Income tax expenses for the period	189,824	-
Deferred tax:		
Deferred tax on temporary differences and reversion of temporary differences	30,811	246,683
Income tax expenses reported in the statements of comprehensive income	220,635	246,683

(Unaudited but reviewed)

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2021 and 2020 is as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2021	2020
Accounting profit before tax	1,102,924	1,244,104
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	220,585	248,821
Tax effect of net tax-exempt income and net disallowed expenses	50	(2,138)
Income tax expenses reported in the statements of comprehensive income	220,635	246,683
Weighted average tax rate	20.00%	19.83%

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

Changes in deferred tax assets/liabilities reported in profit or loss for the three-month periods ended

	As at		31 March	
	31 March	31 December	2021	2020
	2021	2020	2021	2020
Allowance for expected credit loss	167,116	221,915	(54,799)	(342,818)
Allowance for impairment of investments	2,589	2,589	-	-
Allowance for impairment of properties foreclosed	101	168	(67)	(11)
Non-accrual of interest income	7,878	7,878	-	(85)
Depreciation of assets	(24,284)	(28,002)	3,718	3,612
Finance leases	-	-	-	16
Surplus on revaluation of assets	(75,985)	(76,100)	-	-
Surplus on changes in value of investments	(382)	(1,268)	-	-
Unrealised gain on derivatives	-	-	-	214
Gain on changes in value of investments in securities	(104,548)	(100,525)	(4,023)	212
Deferred commission and direct expenses incurred at the initiation of hire purchase	(286,579)	(337,546)	50,967	12,527
Unearned interest income on hire purchase	84,862	101,877	(17,015)	(5,709)
Accrued expenses	212,995	212,995	-	-
Employee benefit expenses	161,508	163,687	(2,179)	9,278
Tax loss carried forward	-	-	-	74,358
Others	85,688	93,101	(7,413)	1,723
<b>Deferred tax assets</b>	<b>230,959</b>	<b>260,769</b>	<b>(30,811)</b>	<b>(246,683)</b>

**3.25 Earnings per share**

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

	For the three-month periods ended 31 March	
	2021	2020
Profit attributable to equity holders of the Bank (Thousand Baht)	882,289	997,421
Weighted average number of shares (Thousand shares)	921,568	921,568
Basic earnings per share (Baht/share)	0.96	1.08

**3.26 Related party transactions**

The relationships between the Bank and its related parties

Name of related parties	Relationship
TISCO Financial Group Plc.	Parent company
TISCO Securities Co., Ltd.	Common shareholders
TISCO Asset Management Co., Ltd.	Common shareholders
Hi-Way Co., Ltd.	Common shareholders
TISCO Insurance Solution Co., Ltd.	Common shareholders
TISCO Information Technology Co., Ltd.	Common shareholders
TISCO Learning Center Co., Ltd.	Common shareholders
All-Ways Co., Ltd.	Common shareholders
Primus Leasing Co., Ltd. (In the process of liquidation)	Common shareholders
TISCO Tokyo Leasing Co., Ltd.	Common shareholders

(Unaudited but reviewed)

As at 31 March 2021 and 31 December 2020, the balances of accounts between the Bank and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2021	31 December 2020
<b><u>Outstanding balances</u></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.		
Loans to customers	900,000	3,780,000
Deposits	21,135	17,391
Lease liabilities	26,758	29,107
Accrued interest payable	12	1
Dividend payable	-	1,888,978
Other liabilities	121,750	126,221
<b>Related companies</b>		
Other assets		
TISCO Securities Co., Ltd.	146	242
TISCO Asset Management Co., Ltd.	6,943	4,325
Hi-Way Co., Ltd.	900	900
TISCO Insurance Solution Co., Ltd.	15,312	15,361
All-Ways Co., Ltd.	-	37
Deposits		
Hi-Way Co., Ltd.	140,830	129,887
TISCO Insurance Solution Co., Ltd.	216,054	505,711
TISCO Information Technology Co., Ltd.	344,788	424,226
TISCO Learning Center Co., Ltd.	33,080	62,008
All-Ways Co., Ltd.	212,236	214,454
Primus Leasing Co., Ltd.	32,897	32,897
TISCO Tokyo Leasing Co., Ltd.	831	1,099
Interbank and money market items (liabilities)		
TISCO Securities Co., Ltd.	115,727	504,244
TISCO Asset Management Co., Ltd.	27,888	139,724
Lease liabilities		
TISCO Securities Co., Ltd.	1,001	1,060
Hi-Way Co., Ltd.	2,517	2,677

(Unaudited but reviewed)

(Unit: Thousand Baht)

As at

	31 March 2021	31 December 2020
<b>Related companies (continued)</b>		
Accrued interest payable		
TISCO Securities Co., Ltd.	116	16
TISCO Asset Management Co., Ltd.	60	7
Hi-Way Co., Ltd.	43	2
TISCO Insurance Solution Co., Ltd.	35	37
TISCO Information Technology Co., Ltd.	99	48
TISCO Learning Center Co., Ltd.	13	4
All-Ways Co., Ltd.	82	96
Other liabilities		
Hi-Way Co., Ltd.	213,600	212,600
TISCO Insurance Solution Co., Ltd.	14,911	13,088
TISCO Learning Center Co., Ltd.	1,844	1,498
<b>Management - Departmental manager upward</b>		
Loans <sup>(1)</sup>	8,214	8,326
<b>Directors and management - Departmental manager upward</b>		
Deposits	177,718	198,431
<b>Companies which directors or their related persons have significant influence over</b>		
Deposits	33,065	148,665
<b>Related persons of directors and key management</b>		
Deposits	40,762	35,880
<b>Commitments - Guarantees</b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	1,040	1,040
<b>Related companies</b>		
TISCO Securities Co., Ltd.	540	540
TISCO Asset Management Co., Ltd.	440	440
TISCO Insurance Solution Co., Ltd.	200	200
TISCO Information Technology Co., Ltd.	1,014	1,014
<b>Commitments - Undrawn overdraft facilities</b>		
<b>Related companies</b>		
TISCO Securities Co., Ltd.	30,000	30,000
TISCO Asset Management Co., Ltd.	200,000	200,000

(1) Including employee welfare loans and normal loans.



(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
<b>Related companies (continued)</b>		
<b>Commitments - loan credit lines <sup>(2)</sup></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	9,500,000	8,500,000
<b>Related companies</b>		
TISCO Securities Co., Ltd. <sup>(3)</sup>	5,000,000	5,000,000
TISCO Asset Management Co., Ltd. <sup>(3)</sup>	500,000	200,000
Hi-Way Co., Ltd.	3,500,000	2,500,000
TISCO Information Technology Co., Ltd.	50,000	50,000
TISCO Insurance Solution Co., Ltd.	500,000	500,000
All-Ways Co., Ltd.	1,000,000	5,000,000
TISCO Tokyo Leasing Co., Ltd.	500,000	500,000

*(2) As at 31 March 2021 and 31 December 2020, total loan balance for all credit lines granted to all companies in the Group must not exceed Baht 9,500 million and Baht 8,500 million, respectively.*

*(3) Subordinated loan*

### Loans to related companies

As at 31 March 2021 and 31 December 2020, the balances of loans between the Bank and its related companies and their movements are as follows:

	(Unit: Thousand Baht)			
	As at 31 December 2020	Increase	Decrease	As at 31 March 2021
<b>Parent company</b>				
Loans				
TISCO Financial Group Plc.	3,780,000	-	(2,880,000)	900,000

(Unaudited but reviewed)

During the periods, the Bank had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on bases agreed upon between the Bank and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March		Terms and pricing policies
	2021	2020	
<b><u>Transactions occurred during the periods</u></b>			
<b>Parent company</b>			
Interest income	5,010	26	With reference to the terms and prices as offered to other customers
Other income	125	125	With reference to the terms and prices as offered to other customers
Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses	362,500	378,500	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Interest expenses	172	902	With reference to the terms and prices as offered to other customers
Other expense	2,509	2,509	With reference to the terms and prices as offered to other customers
<b>Related companies</b>			
Interest income	315	-	With reference to the terms and prices as offered to other customers
Insurance service income	16,212	16,173	With reference to the terms and prices as offered to other customers
Other income	36,965	17,638	With reference to the terms and prices as offered to other customers
Expenses involving loans	213,600	182,800	Determined on actual costs
Computer system advisory service expenses	157,500	176,250	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	7,473	10,556	With reference to the prices as offered from other service providers
Interest expenses	652	1,829	With reference to the terms and prices as offered to other customers
Other expenses	1,111	1,128	With reference to the terms and prices as offered to other customers

(Unaudited but reviewed)

Directors' and key management's benefits

During the three-month periods ended 31 March 2021 and 2020, the Bank had short-term benefit expenses and other employee benefit expenses to its directors and key management as follows:

	(Unit: Million Baht)	
	For the three-month periods ended 31 March	
	2021	2020
Short-term benefits	22	22
Post-employment benefits	4	4
<b>Total</b>	<b>26</b>	<b>26</b>

**3.27 Segment information**

The Bank is organised into business units based on its products and services. During the current period, there was no change in the composition of the reporting segments.

Revenue and profit information regarding the Bank's operating segments for the three-month periods ended 31 March 2021 and 2020 is as follows:

	(Unit: Million Baht)					
	For the three-month period ended 31 March 2021					
	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	3,000	326	82	3,408	-	3,408
Inter-segment	-	-	667	667	(667)	-
<b>Total revenue</b>	<b>3,000</b>	<b>326</b>	<b>749</b>	<b>4,075</b>	<b>(667)</b>	<b>3,408</b>
<b>Operating results</b>						
Net interest income	2,502	288	7	2,797	-	2,797
Net fee and service income	436	34	(5)	465	-	465
Other operating income	62	4	747	813	(667)	146
<b>Total operating income</b>	<b>3,000</b>	<b>326</b>	<b>749</b>	<b>4,075</b>	<b>(667)</b>	<b>3,408</b>
Premises and equipment expenses and amortisation	(73)	(6)	(236)	(315)	-	(315)
Other operating expenses	(1,442)	(124)	(436)	(2,002)	667	(1,335)
Expected credit loss	(200)	(1)	(454)	(655)	-	(655)
<b>Total operating expenses</b>	<b>(1,715)</b>	<b>(131)</b>	<b>(1,126)</b>	<b>(2,972)</b>	<b>667</b>	<b>(2,305)</b>
<b>Segment profit before income tax expenses</b>	<b>1,285</b>	<b>195</b>	<b>(377)</b>	<b>1,103</b>	<b>-</b>	<b>1,103</b>
Income tax expenses						(221)
<b>Profit for the period</b>						<b>882</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2020

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue</b>						
External customers	3,387	314	95	3,796	-	3,796
Inter-segment	-	-	733	733	(733)	-
<b>Total revenue</b>	<u>3,387</u>	<u>314</u>	<u>828</u>	<u>4,529</u>	<u>(733)</u>	<u>3,796</u>
<b>Operating results</b>						
Net interest income	2,777	301	56	3,134	-	3,134
Net fee and service income	524	28	(2)	550	-	550
Other operating income	86	(15)	774	845	(733)	112
<b>Total operating income</b>	<u>3,387</u>	<u>314</u>	<u>828</u>	<u>4,529</u>	<u>(733)</u>	<u>3,796</u>
Premises and equipment expenses and amortisation	(78)	(6)	(258)	(342)	-	(342)
Other operating expenses	(1,553)	(121)	(479)	(2,153)	733	(1,420)
Expected credit loss	(1,067)	22	255	(790)	-	(790)
<b>Total operating expenses</b>	<u>(2,698)</u>	<u>(105)</u>	<u>(482)</u>	<u>(3,285)</u>	<u>733</u>	<u>(2,552)</u>
<b>Segment profit before income tax expenses</b>	<u>689</u>	<u>209</u>	<u>346</u>	<u>1,244</u>	<u>-</u>	<u>1,244</u>
Income tax expenses						(247)
<b>Profit for the period</b>						<u>997</u>

Total assets information regarding the Bank's operating segments as at 31 March 2021 and 31 December 2020 is as follows:

(Unit: Million Baht)

As at 31 March 2021

	Retail banking	Corporate banking	Treasury investment and others	Total segments
<b>Segment total assets</b>	178,061	37,861	37,736	253,658
Premises and equipment - net	27	2	715	744

(Unit: Million Baht)

As at 31 December 2020

	Retail banking	Corporate banking	Treasury investment and others	Total segments
<b>Segment total assets</b>	186,195	36,908	41,818	264,921
Premises and equipment - net	30	2	726	758

**3.28 Commitments and contingent liabilities****3.28.1 Avals, guarantees and commitments**

(Unit: Thousand Baht)

	As at	
	31 March 2021	31 December 2020
Other guarantees	556,168	497,316
Undrawn client overdraft facilities	250,000	250,000
Foreign exchange contracts	1,241,102	1,189,528
Others	962,917	1,338,700
<b>Total</b>	<b>3,010,187</b>	<b>3,275,544</b>

**3.28.2 Litigation**

As at 31 March 2021 and 31 December 2020, the Bank has been sued for compensation totaling approximately Baht 389 million and Baht 388 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Bank believes that no material losses to the financial statements will be incurred as a result of the mentioned lawsuits.

**3.28.3 Other commitments**

- a) The Bank has commitments in relation to computer service agreements, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.
- b) The Bank has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a year of 3 years after the transfer date, to be expired in June 2021.

(Unaudited but reviewed)

### 3.29 Fair value of financial instruments

#### 3.29.1 Fair value hierarchy

As at 31 March 2021 and 31 December 2020, the Bank has financial assets and liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 March 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity securities	753	3	-	750	753
Investments - debt securities	7,419	-	7,419	-	7,419
<b><u>Financial liabilities measured at fair value</u></b>					
Derivatives					
Foreign exchange contracts	27	-	27	-	27

(Unit: Million Baht)

	As at 31 December 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity securities	759	3	-	756	759
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,433	-	9,433	-	9,433

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

(Unaudited but reviewed)

**3.29.2** 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:

	(Unit: Million Baht)
	Non-marketable equity instruments
<b>Balance as at 1 January 2021</b>	756
Disposal during the period	(25)
Net gain recognised in profit or loss	19
<b>Balance as at 31 March 2021</b>	<u>750</u>

#### **4. Approval of interim financial information**

This interim financial information was approved by the Bank's Audit Committee on 12 May 2021.