



Annual Report 2020

TISCO Financial Group PLC.

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TISCO Financial Group Public Company Limited



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Report from the Board of Directors

In the year 2020, the unforeseen COVID-19 pandemic has affected people and economic activities around the world. The escalating number of infected cases and deaths have caused unprecedented global economic disruptions, including business lock down, travel restrictions, and quarantines, albeit the hope of vaccine rollout. Despite that the COVID-19 situation in Thailand was relatively well under control, the economy was severely affected from business lockdown and travel restrictions, as well as repercussions of slowdown in business and trades for both domestic and international activities. Lower income from contracted business activities also led to higher household debt level as consumers seek liquidity to sustain their businesses and ends meet.

Responding to the crisis, the government introduced a massive 1.9 trillion Baht stimulus program to support the economy, including subsidies for unemployment, stimulus to boost domestic travel, tourism and consumptions, soft loans for affected SME, and liquidity stabilization fund of corporate bond market. Meanwhile, the Bank of Thailand (BOT) lowered policy rate three times to 0.5% during the year. In addition, the BOT announced debt relief measures which encourage banks to provide debt relief and liquidity support to customers affected by the COVID-19 crisis, which may come in various forms including debt extension, debt moratorium, interest rates reduction etc. in order to provide needed assistance for consumers and businesses. The total amount of debts under BOT's measures reached 7.2 trillion Baht at the peak in the 3rd quarter of 2020.

Thai banking industry has thus encountered unprecedented challenges in 2020. With significant business downturn, profitability of the entire banking system has sharply fallen, mostly due to high provision charges to cover the spike in credit risk associated with the crisis, as well as dampened revenue from several core business areas. Nevertheless, thanks to the level of strong capital adequacy in the banking system, coupled with systematic debt relief programs being rollout, the industry has proven to be resilient in terms of financial soundness and stability. The NPL ratio of the banking industry only slightly increased from 2.98% of last year to 3.12%. However, there remained generally large portion of debt exposure under some kind of debt relief measures, thus the full impact to bank's asset quality might not have yet been fully reflected. However most banks have preemptively increased provision buffer against potential risks to ensure a sufficiently strong balance sheet, while the BOT limited the dividend payout of all banks for the year 2020 at 50% of net profit and not exceeding last year payout ratio, in order to further strengthen capital position against future uncertainties.

TISCO business was also affected by the crisis with Net Profit declined 16.6% from the previous year, mostly due to higher provision for loan loss set up and the decline in fee income resulted from lowered business activities. Loan portfolio contracted 7.4% from the previous year, in part due to cautious loan underwritings following heightened risk environment. TISCO has also provided the clients in all areas – corporate, SME, retails – with various forms of relief programs, tailored to best suits the needs of various customer's groups, with an aim to provide financial lifeline to cope during the crisis. At the peak, the total debt relief offered was 24% of total loan portfolio. Thanks to business recovery in the second half of the year, at least partially driven by domestic demand and government stimulus, most clients under relief program were able to emerged from the program with only about 4% remained under relief programs by the year-end.

Despite a rough year with high uncertainty, TISCO was able to control overall asset quality well, with NPL ratio stable at 2.5%, compared to 2.4% at the end of previous year. However, as the COVID-19 crisis was believed to linger for a long time with prolonged negative impact to the economy, TISCO adopt conservative loan loss provision policy according to TFRS9 by provide upfront provision coverage for any potential credit loss in the future. Therefore the loan loss reserve to NPL coverage ratio was set up as high as 210% at the year-end. Meanwhile, the group capital position remained very strong, with BIS and Tier I ratio of TISCO Bank as high as 22.8 % and 18.1% at the end of the year.

In the brighter spot, year 2020 was relatively a strong year for wealth management & capital market businesses. Our wealth business was able to provide value added investment calls for clients on a consistent basis. We were the first in the market to introduce megatrend thematic mutual funds, investing globally with the correct timing, which has shown highly successful investment results. The notable funds in 2020 included the fund investments in Biotechnology Healthcare, Global Digital Health, Cloud Computing, Next Generation Internet, China Technology, etc, which set a new standard and investment ideas for the whole asset management industry. Moreover, several mutual funds were ranked in top-tier fund performance with consistently generating favorable returns to our clients in both short and long investment horizons. With this, TISCO Asset Management was rewarded with "Outstanding Asset Management Company Award 2020" from SET Awards 2020 for another year, together with "Best Mutual Fund of the Year 2020" in the Equity general from the Money & Banking Awards 2020, as a recognition of the success the team continued to deliver to the investors. This year was also an active year for brokerage business, given trading volume was at all time high, despite the pandemic situation, while a new foreign business partnership has been formed with Jefferies, a leading brokerage house from the US, to promote foreign institution business flows going forward.

As a company that maintained sustainable and resilient business during these challenges, TISCO was awarded with "Best Company of the Year Award 2020" from Money & Banking Awards 2020. In addition, TISCO continued to support sustainable development goals and seek to create values to all stakeholders. TISCO has been one of the companies in Thailand Sustainability Investment (THSI) stock for 4 consecutive years, and received Certificate of "ESG100 Company" for

6 consecutive years. As an employer, Hi-Way Company, one of TISCO's subsidiaries, received "Best Employer Thailand Awards 2019" from Kincentric Thailand, as a recognition of a company with outstanding employer-employee relationship. In addition, TISCO also received consolation award of "Thailand HR Innovation Award 2020" from Personnel Management Association of Thailand, PMAT, as the organization brought "Design Thinking" concept to develop employees' solution thinking process. This reflected our value we are always giving to human resources as the most important asset of the company. Employee engagement and competency development programs were implemented to improve their skillsets and expertise, while effective social distancing measures were simultaneously implemented to ensure employee wellbeing during this time of pandemic.

TISCO continued to support corporate social responsibility mainly on enhancing financial literacy and improving social well-beings. The activities were designed to correspond with current economic and social situations, especially during the COVID-19 epidemic. New financial literacy programs were initiated to provide knowledge of financial products and household financial planning via online platforms to increase accessibility during this social distancing period. Moreover, TISCO constantly contributed to projects regarding promoting education opportunity and healthcare development for the community. For this year, "TISCO Ruam Jai 8" school building project was completed to support education in Samut Songkhram.

The COVID-19 pandemic looks to be far from over in 2021. Although the successful development of vaccines seems to provide some light at the end of the tunnel, it will however take time, possibly beyond a couple of years before life can return to normal and business can recover to the pre-crisis level. TISCO will thus need to move forward with care and prudence as uncertainties and risks will mostly likely lie ahead. Digital and technological disruptions have also been accelerated by the pandemic situation, thus business models will need to be highly adaptive to the fast changing world to ensure survival and sustainability. Also responsible lending practices will be emphasized to make sure the company is a good corporate citizen, contributing to the world of a better future.

The Board would like to express our appreciation to our shareholders, clients and business partners for their long-term supports, and extend special thanks to our management team and staff for their strong dedication and commitments during this difficult time. We believe that with the collaborations of all parties, TISCO can overcome this prolonged crisis and withstand any challenges in the years to come.

The Board of Directors

Part 1

Business Operations

1. Policy and Overview of TISCO's Business

After the enactment of the Financial Institutions Business Act, B.E. 2551 on August 3, 2008, TISCO Bank Public Company Limited ("the Bank" or "TISCO Bank") submitted an application to the Bank of Thailand to establish a Financial Group by setting up TISCO Financial Group Public Company Limited, a non-bank public company limited, as a holding company and parent company of the Group, in place of TISCO Bank.

TISCO Financial Group Public Company Limited ("The Company"), with TISCO Bank Plc. as its core subsidiary, operates as a shareholder of the companies under the Group and is involved in no other major businesses. TISCO Group provides a broad range of financial services across two primary business lines: commercial banking/lending and capital markets.

1.1 Vision, Mission, Values for Business Operations and Business Strategy

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

Our Vision is encapsulated in the motto "Wealth of Possibilities".

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

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

- | | |
|----------------------|---|
| 1) Customer Priority | Customers are our primary focus. Their needs are our priority. We construct professional and practical solutions that fulfill our customers' requirements. |
| 2) Mastery | Our staffs are obligated to continually learn and develop themselves in order to build an outstanding skillset that maximizes customer satisfaction. |
| 3) Integrity | All employees must conduct themselves with honesty and follow a code of ethics of the highest standards. |
| 4) Creativity | Our expertise is forged in knowledge, experience, and creativity. We provide advice that is not only accurate, but also creative, helping customers see a wider swath of financial possibilities. |
| 5) Reliability | The organization adds value to our financial services through the professional skills and reliable performance of our team. |
| 6) Guidance | Because our staff members have a wide range of financial expertise, we can provide our customers with sound financial advice in a friendly and open-minded way, understanding their specific needs in order to help them achieve their goals. |

Strategic Plan

In formulating a 3-year business plan, TISCO considers both the external business environment and internal factors. The external business environment includes economic conditions, regulations, and government policies while internal factors are the Group's strengths, weaknesses, opportunities, risks, critical success factors as well as priority issues. Management takes all of these issues into consideration in determining a Corporate Theme. The Corporate Strategy Map, in accordance with the Corporate Theme, is then crafted along with the Vision.

In addition to strategic planning, TISCO Group has cascaded strategic plan to action plan by integrating four perspectives covering financial, customer, internal process, and learning. Key Performance Indicators will be determined for all business areas and linked to performance management so as to gauge employee performance and ensure staffs are awarded fair compensation based on merit. Business performance is also monitored via Performance Dashboard sessions. TISCO has deployed modern management tools such as design thinking which helps TISCO to understand our customers' demands and offer service that match with their needs together with Agile way of working to transform working procedure and stand ready to deliver service in more efficiency manner.

Implementation of Strategic Action

To achieve the organization's goals and align with the Vision and Mission framework, TISCO Group carried out the following strategic actions in 2020:

- Expanded geographical coverage through the microfinance branch network of the auto refinancing brand "Somwang Ngern Sang Dai". During the year, 60 Somwang branches were opened nationwide, raising the total to 347, catering to rising demand for loans against auto license.
- Emphasized more investment advisory and financial planning services through an Open Architecture investment and protection platform, thereby enhancing the ability of wealth managers to effectively provide professional financial planning, investment, and asset allocation. TISCO Group's fund selling agent service covered mutual funds of 12 asset management companies, while 83 wealth relationship managers held AFPT/CFP certification. In terms of new products, TISCO was the leader in selection and launch of various thematic mutual funds amidst the heightened risk market environment arising from both economic slowdown and the COVID-19 pandemic. These funds align with a long-term investment horizon and mega trends. In 2020, these thematic funds received a broad positive response from customers and generated satisfactory returns. TISCO also introduced a comprehensive health protection advisory service in which health insurance plans are selected from leading insurance companies and strategic advice is offered, focusing on comparison of benefits for customers and after-sales services.
- Explored and leveraged business partners for client acquisition and market access. TISCO has also developed innovative services on a digital platform that suits customer lifestyle and supports existing business expansion.
- Enhanced IT capabilities and cyber security are coupled with deployment of technology and innovations to increase efficiency while also improving human resource capabilities and driving overall digital transformation.
- Pursued corporate sustainability development in accordance with the sustainable banking and responsible lending framework. TISCO is also committed to corporate governance to build confidence and trust in customers and all stakeholders.

1.2 Important Changes and Developments During the Past Three Years

- In 2018, TISCO Bank Public Company Limited and All-Ways Company Limited, subsidiaries under TISCO Group, entered into agreements for the sale of the personal loan portfolio and credit card business to Citibank N.A. (Bangkok Branch). The personal loan portfolio was successfully transferred from TISCO Bank on June 4, 2018 while the credit card business was successfully transferred from All-Ways Co., Ltd. on September 23, 2018.
- In 2019, TISCO Financial Group Public Company (Limited) and TISCO Securities Company Limited, a subsidiary of TISCO Group, signed an agreement to terminate "Deutsche TISCO Investment Advisory Company Limited", a

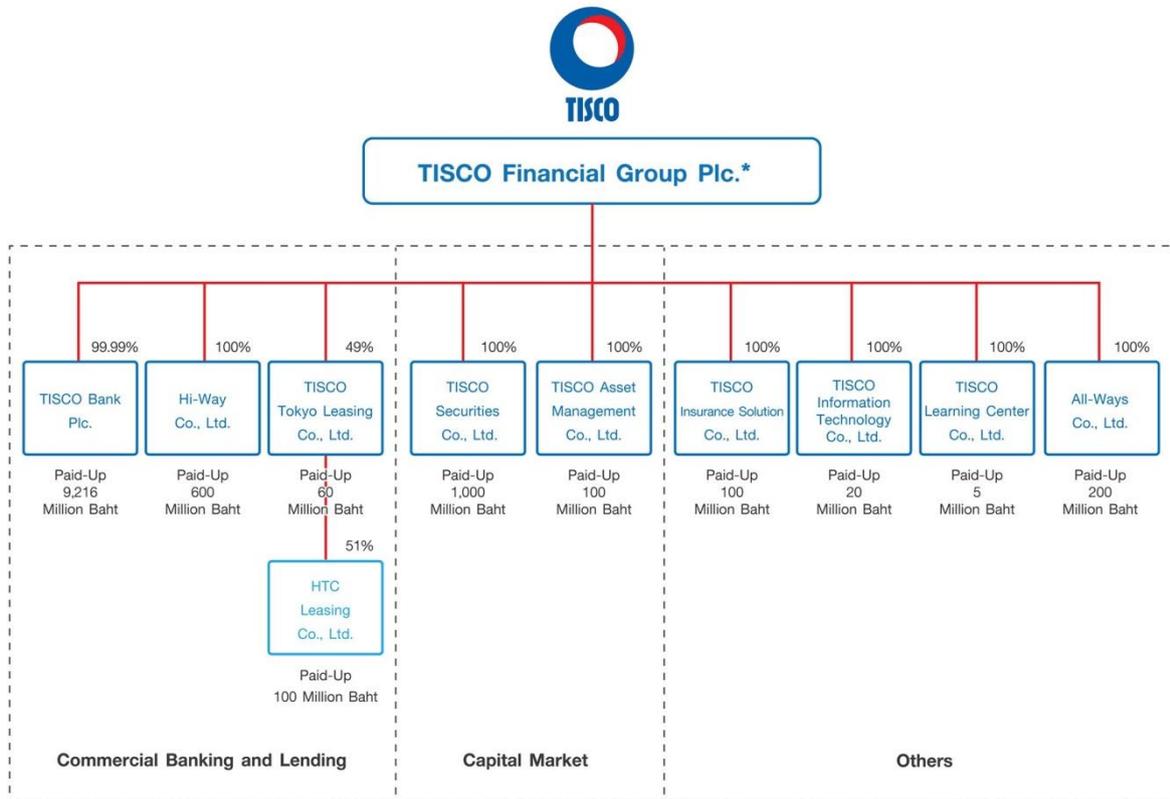
joint venture between TISCO Securities and Deutsche Bank that operated under an investment advisory license in Thailand. The agreement was effective from 9 September 2019 onward.

- In 2020, TISCO Securities announced a co-brand alliance with Jefferies Hong Kong Limited. Under this agreement, TISCO Securities aims to develop and provide equity research of Thai listed companies, as well as offer investment advisory, trading facilities and corporate access services to institutional investors of Jefferies worldwide. The co-brand alliance with Jefferies was effective from October 21, 2020 onwards.

Amidst the spread of COVID-19 pandemic, TISCO developed an online application for the financial relief program to help affected customer in the most effective manner. TISCO has provided credit assistance to borrowers through liquidity provision support to ease their financial burden since March 2020 in compliance with the Bank of Thailand guidelines.

1.3 Shareholding Structure and Business Operations of the Companies in TISCO Group

As TISCO Financial Group Public Company Limited operates as a shareholder in its subsidiaries and engages in no other major business, its competitive position is best examined through the business operations of the companies in TISCO Group. These companies operate in commercial banking and lending as well as capital markets and offer various financial services that satisfy a diverse range of customer needs. TISCO Group’s structure as of December 31, 2020 is shown below.



*Listed in The Stock Exchange of Thailand

Details of juristic persons in which TISCO Financial Group Plc. directly held more than 10% of issued shares as of December 31, 2020:

Company/Head Office Address	Type of Business	Type of Shares	Registered Capital	Paid-up Capital	Issued and paid-up shares	Group Shareholding	
						Number of shares held	Percentage of ownership (%)
TISCO Bank Public Company Limited¹ 1 st Fl., TISCO Tower, 48/2 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6000 Fax. (66) 2633 6800	Commercial Bank	Common	9,215,676,920	9,215,676,920	921,567,588	921,452,713	99.99
		Preferred			104	-	
		Total			921,567,692	921,452,713	
Hi-Way Company Limited 2046/16 New Petchaburi Road, Bangkapi, Huankwang, Bangkok 10310 Tel. (66) 2319 1717 Fax. (66) 2308 7405	Hire Purchase and Leasing	Common	600,000,000	600,000,000	5,994,500	5,994,496	100.0
		Preferred			5,500	5,500	
		Total			6,000,000	5,999,996	
TISCO Tokyo Leasing Company Limited 16 th Fl., TISCO Tower, 48/30 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2638 0900 Fax. (66) 2638 0913	Hire Purchase and Leasing	Common	60,000,000	60,000,000	60,000	29,400	49.0
TISCO Insurance Solution Company Limited 22 th Fl., TISCO Tower, 48/51 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6060 Fax. (66) 2633 4400	Insurance Sales Agent	Common	100,000,000	100,000,000	1,000,000	999,965	100.0
TISCO Securities Company Limited 4 th Fl., TISCO Tower, 48/8 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6999 Fax. (66) 2633 6660	Securities	Common	1,000,000,000	1,000,000,000	100,000,000	99,999,998	100.0
TISCO Asset Management Company Limited 9 th Fl., TISCO Tower, 48/16-17 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 6000 Ext. 4 Fax. (66) 2633 7300	Asset Management	Common	100,000,000	100,000,000	1,000,000	999,994	100.0
TISCO Information Technology Company Limited 6 th Fl., TISCO Tower, 48/12 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 4299 Fax. (66) 2633 7600	Service Support	Common	20,000,000	20,000,000	200,000	199,994	100.0
TISCO Learning Center Company Limited 12 th Fl., Zone A, TISCO Tower, 48/20 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7154 Fax. (66) 2633 7155	Service Support	Common	5,000,000	5,000,000	50,000	49,997	100.0
All-Ways Company Limited 7 th Fl., Zone A, TISCO Tower, 48/13 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7129 Fax. (66) 2633 7150	E-marketplace platform	Common	200,000,000	200,000,000	2,000,000	1,999,997	100.0
Primus Leasing Company Limited² 22 nd Fl., Zone A, TISCO Tower, 48/50 North Sathorn Road, Silom, Bangrak, Bangkok 10500 Tel. (66) 2633 7766 Fax. (66) 2633 7600	Liquidation Processing	Common	3,000,000	3,000,000	30,000	29,998	100.0

¹ Core company of TISCO Group

² in the liquidation process

In addition, TISCO Bank Plc., the core company of TISCO Group, held 10% of issued shares in other companies, all of which are non-listed companies. The investments in such companies are classified as Financial assets measured at fair value through profit or loss. Details are provided in the notes to the consolidated financial statement, section 4.4.

2. Nature of Business

Through its subsidiaries, TISCO Financial Group Public Company Limited (“the Company”), the parent company of TISCO Group (“the Group”), operates two main businesses: commercial banking & lending and capital markets.

Commercial banking and lending: TISCO Group conducts commercial banking and lending services under the Financial Institution Business Act and related regulations. Financial services are offered through the Company’s headquarters and the nationwide branch network of TISCO Bank Plc. and subsidiaries.

Capital Markets: TISCO Group provides securities and asset management services under the Securities and Exchange Act.

Revenue structure of TISCO Group

For 2020, the Company and its subsidiaries had net interest income and non-interest income at a ratio of 69.3 percent and 27.2 percent, respectively. Interest on loans held the largest proportion at 88.6 percent of total income. Details are as follows.

(Unit: Million baht)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Interest Income						
- TISCO Bank Plc.	15,446	81.7	16,716	86.0	16,728	83.5
- Hi-Way Co., Ltd.	1,274	6.7	1,069	5.5	871	4.4
- Other Subsidiaries	37	0.2	96	0.5	91	0.4
Total Interest Income	16,757	88.6	17,881	92.0	17,690	88.3
Total Interest Expenses	(3,659)	(19.4)	(5,089)	(26.2)	(5,075)	(25.3)
Net Interest Income	13,098	69.3	12,792	65.8	12,615	63.0
Fee and Service Income						
- TISCO Bank Plc.	1,862	9.9	2,716	14.0	3,181	15.9
- TISCO Asset Management Co., Ltd.	1,546	8.2	1,757	9.0	1,523	7.6
- TISCO Securities Co., Ltd.	944	5.0	785	4.0	944	4.7
- Other Subsidiaries	1,108	5.9	1,253	6.4	691	3.4
Fees and Service Income	5,460	28.9	6,511	33.5	6,339	31.6
Fee and Service Expenses	(314)	(1.7)	(326)	(1.7)	(244)	(1.2)
Net Fee and Service Income	5,146	27.2	6,185	31.8	6,095	30.4
Other Operating Income	660	3.5	459	2.4	1,323	6.6
Total Operating Income	18,904	100.0	19,436	100	20,033	100.0

2.1 Areas of Service

Given that the Company operates as a shareholder of other companies (Holding Company) with no other major business, the areas of service can be categorized by the business operations of its subsidiaries, namely the commercial banking business and the securities business. In accordance with a client centric approach, the service operations of TISCO Group are divided into four business pillars: 1) Retail Banking, 2) Corporate Banking, 3) Wealth & Asset Management, and 4) Corporate Affairs & CSR. Details for each service follow below.

1. Retail Banking

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

In 2020, the COVID-19 pandemic severely affected the Thai economy, weighing on the revenue and debt service capability of both individuals and small and medium-sized enterprises (SMEs) customers. With an aim to ease financial burdens, TISCO Group has continually provided credit assistance to borrowers through liquidity provision support, especially to individual borrowers - our major customer group. In compliance with the Bank of Thailand guidelines, the financial relief program consists of loan repayment holiday up to 6 months, debt restructuring, interest ceiling reduction of auto title loans as well as soft loans to small and medium-sized enterprises (SMEs). Moreover, TISCO Group developed an online

application for the financial relief program, allowing customers to apply for the program anywhere, in accordance with social distancing.

1.1 Retail Loans

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

- **Hire-Purchase Financing**

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

In 2020, TISCO Bank granted hire purchase loans for new cars at a proportion of 28.5% Ford, 27.7% Mazda, and 43.8% other brands. The proportion of hire purchase loans for new cars and used cars was 90% and 10%. Amidst high market demand for hire-purchase loans, TISCO Group has focused on expanding the business by enhancing service quality, offering a greater variety of services, and engaging in effective asset control rather than price competition.

- **Consumer Loans** mainly offered by TISCO Bank, are in accordance with market needs and have a strong focus on acceptable risk-adjusted return on capital (RAROC). Tzhe consumer loans segment has four main categories as follows:

- **Mortgage Loans** are granted to acquire residential property and for refinancing. The repayment terms vary from 3 to 30 years with full collateral. The interest rates of mortgage loans are either a floating rate or combination of fixed and floating rate which shall be used as a fixed interest rate for a pre-defined period, such as 1-3 years. Moreover, TISCO provides home equity loans which are multi-purpose loans using real estate as collateral. The maximum credit line is 80% of appraised value with an installment period of up to 15 years. In 2020, TISCO focused on increasing awareness of home equity loans through digital channels.

- **Consumption Loans** are operated by TISCO Bank Plc, and Hi-Way Co., Ltd. Multipurpose loans are provided to individuals and business owners in need of cash under the brands TISCO Auto Cash and Somwang Ngern Sang Dai. The loans against vehicle registration cover various types of vehicles, including cars, trucks and motorcycles. Key features include repayment periods of up to 72 months without transfer of vehicle registration. In 2020, the pandemic impacted all business sectors, in particular the tourism, fairs & exhibitions, and commerce sectors and in general disrupted business activities. TISCO therefore focused on improving service convenience and after sales services through the TISCO My Car application. Example of services included information of product details, loan installment, and QR Code/Bar Code generation for payment, E-receipt. TISCO has also been developing a digital loan application. Physical branches remain crucial to growth; TISCO continues to expand its branch network of loans against vehicle registration nationwide under Somwang to enhance customer access to service. At the end of 2020, there were 347 Somwang branches nationwide. Somwang also offers delivery service for greater customer convenience.

1.2 Commercial Lending

Commercial lending provides commercial credit facilities, mainly to small and medium-sized businesses such as inventory financing for car dealers, working capital loans, project finance, hire-purchase loans for commercial assets such as commercial trucks, bus, machinery, and medical instruments, as well as commercial loans with a credit guarantee by the Thai Credit Guarantee Corporation (TCG). In 2020, the Bank signed a memorandum of understanding for the Portfolio Guarantee Scheme-phase 9 project aimed at supporting liquidity provision for SME customers. In addition, TISCO joined the

BOT's soft loan scheme to offer loans for SME customers who meet the BOT's criteria with interest rate charged at 2% per annum.

1.3 Bancassurance

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

In 2020, TISCO's bancassurance strategy utilized an Open Architecture approach while considering the needs, age, and lifestyle of each customer segment. TISCO increased on-shelf products for two main customer segments: individual and private banking. For the individual customer segment, TISCO launched Somwang Gun Pai which focused on developing products, including car & motorcycle insurance and personal accident protection, through Somwang branches. For the wealth customer segment, TISCO extended service offerings from investment advisory to health protection advisory (TISCO Health Protection Advisory), offering best-in-class protection products from leading insurance companies. TISCO will provide valuable advice on insurance benefits and recommend health insurance policies that suit the customer. TISCO provides effortless after-sales support to ensure the customer's best interest is met, in conjunction with continued product development. Emergence of the COVID-19 pandemic has fueled growth in digital transactions. In response, TISCO has focused more on digital services by offering insurances products through www.tiscoinsure.com which enables customer to access our service with greater convenience. Furthermore, TISCO has added an after-sales service channel through its official Line account, "TISCO Insure", with "Ford Ensure" and "Mazda MPI" for Ford and Mazda owners. TISCO's determination as a financial institution to support medical researchers in improving healthcare and quality of life in Thai society can be seen in its philanthropic efforts. These include donating part of its income from selling healthcare and critical illness insurance to the Ramathibodi Foundation.

2. Corporate Banking

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

2.1 Corporate Lending

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

- **Working Capital Loans**

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

- **Project and Term Loans**

These fill the specific needs of medium or long-term business development projects. The project funding, as the ultimate source of funds for loan repayment, must be traceable in terms of project progress. This segment mainly consists of term loans which have a repayment schedule in line with the timeline, progress, and cash flow of the project. The Bank's policy is to support industry and manufacturing in all business areas, especially those that support national development. Project and term loans are generally offered for building factories, offices or business expansion, property development, infrastructure construction, and project bids, such as for power plants, or for buying industrial machinery.

- **Other Commercial Loans**

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

- **Guarantee and Aval Services**

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

- **Loan Consultancy and Related Services**

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

2.2 Investment Banking

TISCO Securities Co., Ltd. is a leader in investment banking with more than 50 years of providing superior service to both corporate and government-related clients. Staffed by highly experienced professionals, TISCO Securities Co., Ltd. specializes in analysis of many essential industries such as energy & utilities, petrochemicals, telecommunications, transportation & logistics, health care, banking & financial institutions, media & entertainment, and manufacturing while boasting a wealth of experience in the equity and debt markets, both domestically and internationally. TISCO Securities Co., Ltd. has been approved by the SEC to provide financial advisory services and has been granted an underwriting license from the Ministry of Finance. The full range of financial advisory and underwriting services cover various types of instruments, including equity, debt, and convertible instruments. Moreover, TISCO Securities Co., Ltd. provides financial advisory services for mergers & acquisitions, privatization advisory and implementation, project financing, debt restructuring, feasibility study, project valuation, and general advisory.

In 2020, TISCO's investment banking arm provided customers with various financial advisory services, including issuance & offering of equity securities, mergers & acquisitions, and project valuation in various industries, such as energy & alternative energy, leasehold rights of warehouses and factories, and leasehold rights of office space and commercial. Transactions of note in 2020 include financial advisory in a rights offering for an alternative energy company, tender agent for a copper pipe company, and initial public offerings for a warehouses and factories REIT. In addition, the investment banking team currently provides acquisitions advisory for a property development company, project valuation for a construction company, and rights offering advisory for a large energy company.

3. Wealth & Asset Management

Aiming to be a top advisory house, TISCO offers a full range of financial and investment advisory services under the brand TISCO Wealth. TISCO Wealth provides comprehensive wealth management services, including banking, securities brokerage, and asset management to deliver investment solutions that meet the savings and investment goals of our clients. TISCO Wealth clients are serviced by our professional relationship managers who provide unbiased advice on both onshore and offshore investment instruments as well as protection products. To elevate its service ability, TISCO has introduced a one stop service for mutual fund trading and insurance through an Open Architecture platform. The platform enables customers to invest in various mutual funds from 12 leading asset management companies, including TISCO Asset Management, and to purchase protection plans from 8 leading insurance companies, with fund selection and comprehensive wealth advisory services offered at TISCO Bank's branches.

TISCO intends to continue expanding its individual client base, enlarging assets under management, enhancing staff service abilities, and improving its digital services. In 2020, TISCO Wealth continued to focus on service excellence as a customer-centric Holistic Financial Advisory. Under this theme, TISCO's Economic Strategy Unit publishes the TISCO Investment Portfolio Strategy or TIPS, a comprehensive report with in-depth analysis of the global economy and portfolio investment strategies. To deliver the best wealth solutions for clients, TISCO has developed various types of foreign

investment funds which introduce long-term investment in mega trends, such as healthcare innovation and new lifestyle businesses, including online education and e-commerce. Meanwhile, TISCO has also focused on enhancing staff quality by aiming to hire Certified Financial Planners (CFP). Finally, TISCO Wealth has developed mobile applications, including TISCO My Funds for mutual fund clients and TISCO Guru Plus for brokerage clients with an aim to enhance customer experience and service accessibility.

Wealth & Asset Management group provides 8 service types, as follow:

3.1 Private Banking

TISCO Group provides comprehensive global financial and investment advisory services across multiple asset classes with professional assistants for high net-worth clients with deposit and investment portfolios of more than 20 million baht.

3.2 Retail Deposit

TISCO Bank offers a variety of deposit products and related financial transaction services. In 2020, TISCO expanded the individual client base for TISCO My Savings, a savings account with a monthly interest payment at a maximum deposit rate of 2.00% p.a. The distinguishing features of TISCO My Savings are unlimited deposits, withdrawals, and transfers. Customers can also make transactions on the TISCO Mobile Banking application anytime, anywhere. TISCO My Savings has received positive feedback from customers, leading to it generating the highest growth in terms of number of accounts and deposit amount among TISCO's savings accounts.

3.3 Private Sales Brokerage

Private Sales Brokerage is operated by TISCO Securities Co., Ltd ("TISCO Securities") and is member number two on the Stock Exchange of Thailand, offering brokerage services to retail clients through the head office in Bangkok and four other branches upcountry: Chiang Mai, Nakhon Pathom, Nakhon Ratchasima, and Udon Thani. The Thai stock market in 2020 was highly volatile with a downward trend, which weighed on retail investors. In response, TISCO Securities developed TISCO Guru Investment, which has received positive feedback from clients, to provide investment service under the terms and conditions of investment policy. TISCO Guru Investment service also provides investment strategies, stock selection, and portfolio monitoring by TISCO's professional team. TISCO Securities also provides a fund sales agent service with an Open Architecture approach, enabling customers to invest in various funds from leading asset management companies through the Streaming for Fund Application. TISCO Securities taps investment advisors' knowledge to offer the best services to customers, including fund information and asset allocation aligned with the Thai and global economic situations. Apart from domestic investment, TISCO Securities also provides international brokerage services through TISCO Global Trade. The service provides investment opportunities for customers seeking to invest in world-class companies in five leading markets: the United States of America, United Kingdom, Japan, Hong Kong, and Singapore. Moreover, TISCO has developed and improved online after-sales service through both its PC and mobile application, enhancing customer convenience.

To broaden access to research for retail investors, TISCO Securities developed TISCO Guru Plus, a stock investment application in which investors can search for stocks according to their investment style with a model portfolio function. The application also provides real time research publications which the investor can be notified of as desired. TISCO Securities has continually promoted marketing activities and provided seminars which provide investment knowledge to investors as well as our marketing staff to provide the best possible service for customers.

3.4 Institutional Brokerage

TISCO Securities Co., Ltd offers brokerage services to both local and foreign institutional investors through an experienced and professional team which specialize in comprehensive equity research and world-class investment strategy. Amid the COVID-19 pandemic in 2020, TISCO Securities continuously carried out proactive marketing activities while adjusting operational processes. For example, providing financial seminars and bringing representatives of leading corporations and global investors together through e-meetings. In 2020, the market share of the TISCO Securities Institutional business was 1.2%. TISCO Securities also announced a co-brand alliance with Jefferies Hong Kong Limited on

October 21, 2020. Under this agreement, TISCO Securities will provide equity research of Thai listed companies, as well as offer investment advisory services to institutional investors of Jefferies worldwide.

3.5 Asset Management

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

- **Provident funds**

TISCO Asset Management Co., Ltd provides provident fund management and advisory services for establishment of provident funds and registrar and advisory services for provident fund committees. Fund investments cover multiple asset classes, including bonds, debentures, equities, and ETFs. Amid the economic downturn in 2020 from the spread of COVID-19, TISCO Asset Management was trusted by 200 companies to manage provident funds, including Aeronautical Radio of Thailand Ltd., Government Saving Bank and Thai Yamaha Motor Co., Ltd., which have a total fund size of over 10,000 million baht.

As of December 31, 2020, 60 provident funds were accounted for with assets under management of 205,994 million baht, up 11.8% (YoY). In total, TISCO Asset Management has been trusted by 4,599 companies and 646,936 members to manage provident funds. Meanwhile, the market share of TISCO's provident fund business was 16.5%, holding first place in the overall market.

- **Private funds**

TISCO Asset Management Co., Ltd provides private fund management services for individuals and legal entities. The services take into account client risk-return profile and include a wide range of investment alternatives, including equities, fixed income, and mutual funds. Clients receive reports which summarize fund performance on a regular basis.

As of December 31, 2020, there were 206 private funds accounted for, with assets under management expanded by 4.3% (YoY) to 59,240 million baht, ranking fifth in the private fund market.

- **Mutual funds**

In response to the global economic recession caused by the COVID-19 pandemic, TISCO Asset Management Co., Ltd, as a leading of Theme Fund issuer, strategically offers various types of funds to suit the higher market risk with a focus on long-term investment funds and mega trends. This strategy was reflected in the launch of new funds, including the TISCO Biotechnology Healthcare Fund, TISCO Cloud Computing Equity Fund, TISCO Next Generation Internet Fund, and TISCO China Technology Equity Fund. Moreover, TISCO Asset Management continued to launch new Retirement Mutual Funds (RMF) and Super Saving Funds (SSF) with tax deduction benefits for investors. During the year, TISCO Asset Management launched one trigger fund, which was triggered within a month.

For the digital channel, TISCO Asset Management launched the first version of the TISCO My Fund application in 2019, which provides customers with greater convenience when doing transactions and updating their investment portfolio. In 2020, TISCO My Fund was further developed, leading to the mid-year launch of an online mutual fund account opening service. This has seen a growing positive response from new customers in Bangkok and other provinces.

Although it was a difficult year amid the spread of COVID-19, TISCO Asset still generated satisfactory performance, growing assets under management by 8.5% (YoY) to 53,334 million baht, in stark contrast to the industry's average contraction of 6.9% from 2019. The mutual fund business held a market share of 1.1% and ranked 14th in the overall mutual fund market. Indeed, TISCO Asset Management has gained wide recognition for outstanding fund performance and excellent fund management. For their outstanding fund performance, TISCO Mid / Small Cap Equity Fund (TISCOMS) and TISCO Strategic Fund (TSF) were granted the "Best Equity Fund Award 2020 for Medium and Small Equity Funds" from Morningstar Thailand at the Fund Awards 2020 and "Best Mutual Fund of the Year Award 2020" in the Equity general category, respectively. Moreover, TISCO Asset Management received the "Outstanding Asset Management Company Award 2020" from the Stock Exchange of Thailand for the second consecutive year.

3.6 Mutual Fund Sales Agent

Mutual Fund Sales Agent is operated by TISCO Bank Co., Ltd and offers advice on mutual fund products and services via an Open Architecture platform. The platform allows clients to enjoy benefits from 12 asset management companies, 500 funds, including TISCO Asset Management, and our expertise in wealth advisory. TISCO helps customers maintain healthy return with a competitive choice of investments and robust asset allocation strategy. In 2020, the Open Architecture business had 10,072 million baht of fund inflow.

3.7 Cash Management Services

The Bank's Cash Management Services include cash inflow and cash outflow management for corporate clients, which is aimed at increasing the operational efficiency and reducing operating costs for clients. Cash Management Services are across three business areas: TISCO Collection, TISCO Payment, and TISCO Liquidity Management. Additionally, TISCO E-Cash Management was introduced to facilitate business transactions and consolidated account information enquiries for customers.

3.8 Custodian Service

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

4. Corporate Affairs & CSR

Corporate Affairs & CSR aim to promote business operational efficiency while ensuring that business ethics and a strong sense of social responsibility are incorporated into corporate core values. Aiming for sustainable value creation for all stakeholders, TISCO has placed great emphasis on building a strong support network among our stakeholders to promote long-term social development, environmental awareness, and arts & cultural programs. Furthermore, all governance and support functions are centralized at the Company while subsidiary companies shall outsource all such activities back to the Company. These include, but are not limited to, the following functions:

- Enterprise Risk Management, Risk & Business Analytics, Corporate Accounting, Planning & Budgeting, Credit Control, Appraisal & Valuation, Corporate Communication,
- Internal Audit, Corporate Compliance, Operational Risk Management, Legal Office, Credit Review, IT Risk Management
- Economic Strategy Unit, Treasury & Investment, Corporate Services & Procurement
- Human Resources Management, Human Resources Services

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

TISCO Securities Co., Ltd handles the securities trading business and trades equity securities for company accounts, with an aim to maximize investment return. Securities trading volume was small as TISCO Securities maintained its investment policy of long-term return rather than short-term trading gain and tends to be less active with securities trading when stock market conditions are unfavorable. TISCO Securities Co., Ltd only invests in securities which offer performance backed by strong fundamentals to minimize market risk.

2.1 Market and Competition

Commercial Banking Business

• Market

As of December 31, 2020, there were 30 commercial banks in Thailand's entire commercial banking system, comprising 19 domestically-registered commercial banks and 11 subsidiaries and branches of foreign banks. At the end of 2020, TISCO Bank ranked eleventh in asset size among the domestically-registered commercial banks with market shares of assets, deposits, and net loans of 1.3%, 1.4% and 1.7%, respectively.

As of December 31, 2020, net loans of the 19 domestically-registered commercial banks totaled 12,781,864 million baht, up by 6.1% (YoY) due partly to debt relief programs for retail and SME borrowers affected by COVID-19. At the end of 2020, the average minimum lending rate (MLR) decreased from 6.01% to 5.31% (YoY). The average minimum overdraft rate (MOR) declined from 6.84% to 5.85% (YoY), and the average minimum retail rate (MRR) was reduced from 6.87% to 5.98% (YoY). TISCO Bank's net loans totaled 213,802 million baht, declined by 6.7 (YoY)

Total industry deposits were at 14,632,146 million baht, up by 10.9% (YoY). At the end of 2020, the average 3-month fixed deposit rates of Top-4 commercial banks decreased from 0.86% to 0.37% (YoY) while all lending rates of the Top-4 commercial banks also declined from the previous year. During the year, the Bank of Thailand reduced its policy rate 3 times to 0.50% and cut the rate of contribution from financial institutions to the FIDF, from 0.46% to 0.23% of deposit base per annum, for two years in order to pass on the lower interest rate to bank clients. TISCO Bank's deposits totaled 204,859 million baht, declined by 6.2% (YoY)

Comparison of assets, deposits and net loans as of December 31, 2020

(Unit: Million baht)

Commercial Banks	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
1. Bangkok Bank Plc.	3,384,961	16.9%	2,485,597	17.0%	1,896,205	14.8%
2. Siam Commercial Bank Plc.	3,280,442	16.4%	2,429,780	16.6%	2,125,942	16.6%
3. Krung Thai Bank Plc.	3,226,987	16.1%	2,466,780	16.9%	2,124,250	16.6%
4. Kasikorn Bank Plc.	3,061,407	15.3%	2,340,470	16.0%	2,066,638	16.2%
5. Bank of Ayudhya Plc.	2,460,731	12.3%	1,819,223	12.4%	1,609,830	12.6%
6. TMB Bank Plc.	1,205,404	6.0%	815,678	5.6%	693,775	5.4%
7. Thanachart Bank Plc.	811,183	4.1%	557,957	3.8%	649,686	5.1%
8. UOB Bank Plc.	632,342	3.2%	491,560	3.4%	421,662	3.3%
9. CIMB Thai Bank Plc.	404,421	2.0%	194,150	1.3%	217,576	1.7%
10. Kiatnakin Phatra Bank Plc.	354,468	1.8%	252,067	1.7%	262,643	2.1%
11. TISCO Bank Plc.	264,921	1.3%	204,859	1.4%	213,802	1.7%
12. Land & House Bank Plc.	240,085	1.2%	182,735	1.2%	155,838	1.2%
13. ICBC (Thai) Plc.	225,413	1.1%	147,053	1.0%	111,933	0.9%
14. Standard Chartered Bank (Thai) Plc.	167,167	0.8%	84,329	0.6%	28,800	0.2%
15. The Thai Credit Retail Bank Plc.	80,721	0.4%	64,626	0.4%	66,823	0.5%
16. Sumitomo Mitsui Bank (Thai) Plc..	78,454	0.4%	21,719	0.1%	51,280	0.4%
17. Bank of China (Thai) Plc	68,562	0.3%	47,094	0.3%	45,455	0.4%
18. ANZ Bank (Thai) Plc.	49,406	0.2%	10,052	0.1%	18,960	0.1%
19. Mega International Commercial Bank Plc.	25,120	0.1%	16,417	0.1%	20,766	0.2%
Total	20,022,198	100.0%	14,632,146	100.0%	12,781,864	100.0%

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

• Competition

The banking sector in 2020 experienced substantial macro challenges. The COVID-19 pandemic drove economic activities into a severe contraction. Some business sectors could not normally operate, slowed down or temporarily halted operations. As a result, the payment capabilities of both businesses and individuals were heavily impacted. The commercial bank industry focused on maintaining revenue from the core business and controlling operating expenses and asset quality. On parallel, commercial banks provided debt relief programs for retail and corporate customers to ease debt burdens amidst the economic uncertainty and impact of the pandemic.

The domestically-registered commercial banks recorded a fall in net profit of 46.0 % (YoY) as banks set aside a high level of expected credit loss to cushion against potential weakening in asset quality from impact of COVID-19 and lower net interest income, in line with the lower policy rate. Net interest margin (NIM) was at 2.75% as commercial banks focused on maintaining NIM levels or managing them within a limited boundary while fee-based income contracted following lower economic activities. Many commercial banks boosted income from the capital markets business to replace revenue forgone from remittance and ATM fees. Total outstanding loans expanded by 5.1% (YoY), mainly from corporate and housing loans. Meanwhile, NPL ratio rose to 3.12%, affected by deterioration in quality of SMEs and consumer loans. Many banks put more caution on loan approval, especially for vulnerable groups of customers who are highly sensitive to economic conditions. Nonetheless, the banking industry remained resilient with robust capital funds and loan loss provision to withstand uncertainty in asset quality.

In response to continuous growth in banking transactions through digital channels, accelerated during the periods of economic lockdown, many banks have downsized their physical branches to cut operating costs and focused on investing and adopting new financial innovations to strengthen service abilities. Commercial banks are also carrying out digital transformations to cope with intensified competition from both incumbents and new market players from the technological sector.

Securities and investment banking business operated by TISCO Securities Co., Ltd.

• Market

At the end of 2020, 44 companies held brokerage business licenses and 75 companies¹ held financial advisory service licenses granted by the Securities and Exchange Commission. For the equity market in 2020, the SET index closed at 1,449.35 points, decreased by 130.49 points (8.3% YoY) from 1,579.84 points at the end of 2019. Meanwhile, average daily turnover was 67,335 million baht, up by 28.3% (YoY). Derivatives market saw total trading volume increase by 15.0% (YoY) to 120.2 million contracts. Average daily volume increased to 494,624 contracts per day, improved by 15.5% from 428,369 contracts per day in 2019. In the primary market, there were 26 newly listed companies in the SET and MAI markets, 1 real estate investment trust (REITs) and 1 infrastructure fund (IFF). Total offering size of newly listed securities was 136,044 million baht, up by 49.8% (YoY).

Capital markets in 2020 were highly volatile and investor confidence was dampened by the COVID-19 situation and economic downturn, especially in Thailand where the economy is heavily dependent on the tourism and export sectors. In the first quarter of 2020, the SET index drastically dropped to 968.08 points, declined by 610.76 points from 1,579.84 points in 2019. The index subsequently rose gradually to close at 1,449.35 points at the end of 2020, driven by economic stimulus as well as the reduction of policy rates from central banks around the world. As a result of lower return in bond market and higher liquidity, most investors turned from the bond market to invest in capital markets to search for higher yield. In the first nine months of 2020, foreign investors were net sellers with net sell value of 277,673.99 million baht, before switching to net buyers with a net buy value of 13,288.20 million baht in the last quarter of 2020. Meanwhile, retail investors were net buyers with net buy value of 216,708.69 million baht during the year. For the proportion of market trading value in 2020, local and foreign institutional sectors declined from 25.2% to 20.8% and 41.9% to 36.5% (YoY), respectively. Meanwhile, the proportion of retail investors to total market trading value increased to 42.7% from 32.9% a year earlier.

¹ Source: www.sec.or.th

Capital market conditions

	2020	2019	2018
SET index (points)	1,449.35	1,579.84	1,563.88
Market capitalization (million baht)	16,107,633	16,747,455	15,978,252
Trading turnover (million baht)	16,362,358	12,802,090	13,820,220
Average daily turnover (million baht)	67,335	52,467	56,409
Dividend yield (%)	3.32	3.14	3.22
Price to earnings ratio (times)	28.84	19.40	14.75
Number of listed companies on the SET	568	556	545
Derivative contract volume (contracts)	120,193,573	104,521,995	104,422,200

Source: The Stock Exchange of Thailand

• **Competition**

In 2020, brokerage market competition remained fierce as most market players adopted price cutting strategies. As a result, brokerage commission income continued to decline, especially from foreign investors which saw the lowest commission margin as most transactions were from direct market access. Some market players adopted revenue diversification strategies, tapping new sources of income, including proprietary trading, derivatives warrants, derivatives trading, margin loans and securities borrowing and lending, fund sales, and global equity market services to offset declining revenue from commission fees. Moreover, the trading service of brokerage firms changed from Execution-only service to Portfolio Advisory with Execution service whereby the client receives advice on investment allocation or investment strategy, in accordance with their goals and risk appetite. In addition, TISCO has commenced an Open Architecture service to provide mutual fund services which enhance investment opportunities for clients. TISCO Securities Co., Ltd has no policy for aggressive price cutting, focusing instead on serving fundamental investors rather than speculative investors by producing high quality research that serves both local and foreign institutional investors. Furthermore, TISCO Securities Co., Ltd provides investment advisory services as an alternative for investors. As of December 31, 2020, the market share of TISCO Securities Co., Ltd (excluding proprietary trading) was 1.5%.

For the investment banking market, competition is intense as there are numerous players while demand is limited. The players compete on price and quality of services. In response, TISCO Securities focuses on quality of team, experience, and expertise in financial advisory as well as long-term relationships with customers.

Asset Management business operated by TISCO Asset Management Co., Ltd.

• **Market**

For the asset management industry, there are 28 players, including asset management companies, commercial banks, securities companies, and insurance companies. As of December 31, 2020, the assets under management of the asset management market totaled 8,235,945 million baht, increased by 6.8% (YoY), with the biggest contribution coming from the private fund business. Furthermore, provident funds totaled 1,248,314 million baht, increased by 2.1% (YoY) while private funds totaled 1,993,221 million baht, increased by 77.2% (YoY). Meanwhile, mutual funds totaled 4,994,410 million baht, contracted by 6.9% (YoY). TISCO Asset Management's market share in provident funds, private funds, and mutual funds is 16.5%, 3.0%, and 1.1%, respectively.



• Competition

In 2020, the provident fund business slowed, mainly due to the pandemic situation which affected the economy and investment market. Affected employers and employees needed to temporarily halt their provident fund contribution while some companies withdrew from provident funds. Nevertheless, TISCO Asset Management Co., Ltd continued to generate outstanding long-term fund performance despite the volatile market situation, especially in comparison to the leading asset management companies which carried out aggressive marketing campaigns highlighting attractive prices, greater variety of funds, and fund performance to attract customers. Moreover, TISCO Asset Management has encouraged members to recognize the importance of retirement savings by recommending members contribute funds at a maximum of 15% of their wages. As a result, in 2020, TISCO's provident fund business grew by 11.8% (YoY), compared with industrial growth of 2.1% from 2019.

TISCO Asset Management Co., Ltd was named Pension Fund of the Year Thailand 2020 for the third consecutive year by Global Banking and Finance Review, one of the world's leading financial magazines, reflecting its excellent fund performance and high customer service standards.

The private fund business has retained highly competitive pricing, especially in the institutional market, in order to win bidding. Instead of price competition, individual clients have focused on serving and building relationships with customers, giving consideration to organization creditability, investment advisory services, as well as fund management team. In 2020, assets under management of the private fund industry were at 1,993,211 million baht, up 77.2% mainly due to the addition of a new asset management company, a subsidiary of a life insurance company. This company accounted for more than 40% of the industry's total assets under management.

In 2020, the mutual fund industry saw 6.9% (YoY) contraction in assets under management, driven by lower investor confidence in the bond market amid concerns on the low market interest rate and economic downturn from the spread of COVID-19. As a result, most investors moved from fixed income funds to invest in equity markets, led by the U.S. capital market, especially in the healthcare and technology sectors. Likewise, in Thailand, there was higher fund inflow, mainly from Foreign Investment Funds (FIF), which invested in the technology sector. During the year, most asset management companies launched new mutual funds focusing on technology and mega trends. After long-term equity fund (LTF) tax privileges expired at the end of 2019, the government launched super savings fund (SSF) and super saving fund extra (SSFX) as new tax deduction funds with investment holding periods of not less than 10 years from the subscription date. However, SSF and SSFX have not been as popular as the LTF program and thus have failed to compensate for lack of LTF fund inflow in the past year.

2.2 Arrangement of Products or Services

Sources of Funds

Apart from the Group's capital, most of the funds from the Group and its subsidiaries are sourced from deposits, the interbank and money markets, and short and long-term borrowing. The details of sources of funds are as follows:

(Unit: Million baht)

Fund Sources	2020	2019	2018
Deposits ¹	203,509.74	216,121.47	198,985.23
Interbank and Money Market Items	5,807.65	4,656.13	4,374.67
Debentures	12,789.00	24,980.00	49,680.00
Other Liabilities	13,874.74	13,350.38	11,675.28
Total Sources of Funds from Liabilities	235,981.13	259,107.98	264,715.18
Capital	39,462.08	39,196.11	37,829.45
Total Sources of Funds	275,443.21	298,304.09	302,544.63

Lending

• Credit granting policy

Commercial loans

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

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

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

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

Retail loans

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

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

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

¹ Total deposits including short-term borrowings

- **Credit Approval Limits and Authorities**

The Credit Committee is responsible for overseeing the credit approval process under the credit policies and guidelines set forth by the Executive Board.

Credit approval policies are clearly stated, specifying terms of credit limits and delegation of authority. All corporate loan transactions must be reviewed and approved by the Credit Committee while loan facilities which are considered material in size must be approved by the Executive Board.

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

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

- **Credit Risk Management**

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

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

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

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

- **Credit Collection**

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

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

- **Debt restructuring**

The objective of debt restructuring is to resolve problem loans which have been affected by economic downturns or the borrower's financial difficulties. TISCO Group's procedures for debt restructuring involve various methods, such as

relaxing of payment conditions, debt-to-asset conversion, debt-to-financial-instrument conversion, and debt-to-equity conversion.

Debt restructuring can be conducted with every borrower, regardless of status. The corporate lending function is responsible for the debt restructuring process, including the decision to select borrowers for restructuring. The delegated officers will evaluate the borrower's credit qualities and related financial and operating environment and perform projections on repayment possibilities.

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

Capital Adequacy

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

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

Liquidity Management Policy

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

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

Asset Classification, Provisions and Write-offs

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

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

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

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

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

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

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognizes expected credit loss at the amount equal to expected credit loss over the expected lifetime of the financial assets. Our asset classification policies are presented in item 14.3 of Part 3, Section 14: Asset Quality Expected Credit Loss.

The Securities Business operated by TISCO Securities Co., Ltd is detailed as follows:

Sources of funds

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

Credit approval and authorization

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

Margin trading accounts

All clients of securities brokerages are cash accounts.

Investment Policy

For listed equities, TISCO Securities Co., Ltd. has a policy to invest in businesses with strong fundamentals, taking into consideration liquidity, risk and return on securities, and the diversification of its portfolio. As for non-listed equities, the Company has no policy to enlarge this portfolio, but will exploit market opportunities for selling existing securities at the highest price. For debentures, TISCO Securities Co., Ltd. holds them only for liquidity reserve purposes. The Company holds unit trusts as short-term and long-term investments, depending on their investment policy and fund performance. Moreover, the company has a policy to invest in derivative instruments to earn trading gains and for risk management purposes, depending on the investment climate in the stock market.

Investment policy complies with the guidelines and policies of the Risk Management Committee, which consist of key executives. This committee determines the investment policy, size of the investment portfolio, maximum limits for daily securities trading, and the loss limit.

Capital Adequacy Ability

The Net Capital Rule (NCR) ratio of TISCO Securities Co., Ltd. as of December 31, 2020 was 43.47%, well above the 7.0% regulatory requirement of the SEC.

3. Risk Factors

Overview of Risk Management

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

Risk Management Policy

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

1. Consolidated and centralized risk management

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

2. Business line accountability, independent risk oversight

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

3. Comprehensive risk assessment

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

4. Capital management based on standardized risk tools

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

5. Risk tolerance level and capital allocation

Total risk capital shall not be in excess of the available capital funds of the Group while qualitative risk tolerance level shall be applied for non-capital based assessment. Risk Capital shall determine the economic capital adequacy of TISCO; the available capital is also allocated to the business and operating units such that the capital adequacies to undertake risk are ensured both at the corporate and business-unit levels.

6. Adequate return for risk and risk-adjusted performance management

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

7. Portfolio management, diversification and hedging

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

8. Strong risk awareness culture

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

9. Effective risk modeling and validation

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

10. Regulatory best practices

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

11. New businesses or products

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

12. Related party transactions

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

13. Stress testing

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

14. Risk management for foreign exposure

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

exceeds the threshold limit of 50% of regulatory Tier-I capital, TISCO Group will establish detailed guidelines for managing such risk in accordance with the BOT's regulations.

15. Policy for recovery plan

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

Risk Management Framework

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

Specific-area risk authorities are then established to manage in-depth, transaction-level risks in each particular area, such as the Credit Committee, Problem Loan Committee, and Compliance & Operation Control Committee. These mechanisms are in turn supported by the credit control and other supporting functions, including governing compliance and the legal office. Business lines are fully accountable for managing their own risks within the policy guidelines established by the Risk Management Committee and specific-area risk authorities. All business operations are under the risk limits approved by the Risk Management Committee, including new business analysis in each business line; triggered risk limits as well as new businesses shall be reported monthly to the Risk Management Committee for acknowledgement. Additionally, the Risk Oversight Committee shall review the sufficiency and effectiveness of overall risk management policy and strategies, and shall report risk exposures, effectiveness of risk management system and the risk governance culture of the organization, as well as any significant factors or required improvements to the Board of Directors. The Committee shall also advise or participate in the evaluation of the heads of risk management functions. To enhance the overall risk management system, the risk management system shall be audited and reported to the Audit Committee which reports directly to the Board of Directors.

At the present, Information Technology (IT) is an integral part of the business, serving the business needs and supporting customer channels in accessing information and services known as Financial Technology (FinTech), in addition to several laws and regulations which have been announced for IT good governance. TISCO Group set up the

IT Risk Management function to manage in-depth and transaction-level IT risks and to support the Risk Oversight Committee as well as the Risk Management Committee with IT risk while acting as an integral part of operational risk and IT Risk Committee for specific-area risk authorities.

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

- Board of Directors

The Board of Directors of the Company shall ensure the institution of an effective risk management system for the Bank and ensure that the Company has adopted and adhere to TISCO Group Risk Management Policy. The Board has assigned the Executive Board the task of overseeing and monitoring risk management activities. This is achieved by setting risk limits and risk appetites, and ensuring the establishment of effective risk management systems and procedures in accordance with the standard practices of risk identification, assessment, monitoring and control, all of which are in line with the Audit Committee standards.

- Board of Directors of Subsidiaries

Under a consolidated supervision framework, the Board shall ensure that each subsidiary adopts and adheres to the TISCO Group Risk Management Policy approved by the Board of Directors of the parent company. The Board will appoint other committees in accordance with the needs and suitability to carry out specific tasks to ensure that the operations comply with established Corporate Governance Policy and report risk management activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the BOT.

- Risk Oversight Committee

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

- Risk Management Committee

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

- Specific-Area Risk Authorities

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

Risk Types

Risk management of TISCO Group considers five risk factors: 1) Credit Risk 2) Liquidity Risk 3) Market Risk 4) Operational Risk and 5) Strategic Risk. Details are shown in item 3.1-3.5

The overall risk of TISCO Group is at a manageable level, with capital funds remaining strong for further business expansion as has already been assessed by the BOT. Moreover, TISCO Group has guidelines for risk management according to each type of risk.

Additional details are shown in Part 3 Section 14: Management Discussion and Analysis

3.1 Credit Risk

Credit Risk is defined as the possibility of an obligor's failure to meet the contract agreement with TISCO Group. Potential for failure requires the Bank to maintain adequate provisions for loan losses. As a result, Credit Risk can adversely impact the net income and capital of TISCO Group.

3.1.1 Default Risk

Default risk corresponds with lower credit quality. As of December 31, 2020, the NPL ratio of TISCO Group had increased from 2.40% at the end of 2019 to 2.50% at the end of 2020, mainly the result of impact from economic slowdown due to the COVID-19 situation. To prevent rising credit risk, an increase in expected loss was absorbed by the expected credit loss (ECL) set up during the year, with prudently managed non-performing loans (NPLs), including advanced risk management tools and stringent loan collection practices, debt restructuring and the write-off process. Additionally, NPL ratio of retail loans increased from 2.84% at the end of 2019 to 3.17% at the end of 2020, while there was no NPLs in corporate loans at the end of 2020. Total NPLs represented 5,618.48 million baht which had decreased by 215.95 million baht or 3.7%, of which the NPLs of the Bank were 4,946.30 million baht and NPLs of other subsidiaries amounted 672.18 million baht.

Since January 1, 2020, TISCO Group has used the Expected Credit Loss framework in place of the provision impairment loss method, in accordance with the new Thai Financial Reporting Standard No. 9 (TFRS 9) which has a different loan classification and impairment model, taking into account the potential credit loss and additional risks from forward looking macroeconomic factors (Forward Looking Model). As of December 31, 2020, total allowance for expected credit loss on loans of TISCO Group was 11,825.54 million baht, of which the allowance for expected credit loss on loans of the Bank amounted to 10,938.18 million baht. Total allowance for expected credit loss on loans of TISCO Group consisted of ECL impairment totaling 10,769.15 million baht and excess reserve of 1,056.40 million baht. Hence, the loan loss coverage ratio stood at 210.5% at the end of 2020, reflecting a prudent provisioning policy to mitigate potential risk.

3.1.2 Concentration Risk

Concentration risk is risk from borrower concentration. As of December 31, 2019, hire purchase and corporate loans represented 56.8% and 15.1% of the total credit portfolio, respectively. The hire purchase portfolio, of which concentration was very low, had 138,126.90 million baht of loans outstanding. Top-10 borrower exposure of the hire purchase portfolio stood at 58.68 million baht or 0.04% of the total hire purchase portfolio, or equal to 0.02% of the total credit portfolio.

The corporate loan portfolio is diversified across four different sectors: manufacturing and commerce, 2,630.54 million baht; real estate and construction, 14,674.57 million baht; and public utilities and services, 19,388.66 million baht. Lending to the above industrial sectors represented 7.2%, 40.0%, and 52.8% of the total corporate loan portfolio, respectively, and represented 1.1%, 6.0%, and 8.0% of the total credit portfolio, respectively. As top-10 borrower exposure stood at 32,226.43 million baht or accounting for 13.3% of the total credit portfolio, there is a slight concentration in public utilities and services as well as the real estate and construction sectors which have been managed under the risk management procedure. Moreover, the corporate loan portfolio is almost fully collateralized. In the loan approval process, an appropriate proportion of collateral value and financing amount is maintained to ensure that risks are kept within a manageable level. Furthermore, collateral values are regularly appraised and an effective loan drawdown procedure has been implemented. Portfolio credit quality is closely monitored.

3.1.3 Collateral Risk

Collateral risk involves borrower defaults and value after selling collateral in the debt collection process falling short of the original debt amount. As of December 31, 2020, the lending portfolio of TISCO Group came mostly from TISCO Bank whereby 86.1% of the portfolio was asset backed or with collateral. For the hire purchase portfolio, the underlying assets under the loan agreement itself are still owned by TISCO Group. In case the borrowers of hire purchase loans cannot meet the terms and conditions, TISCO Group can follow up and seize the underlying assets immediately. After repossession, the process of asset liquidation can be completed within one month.

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

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

For commercial and mortgage loans, most collateral extended as loan guarantees was in the form of real estate, of which the value could be deducted for the purposes of expected credit loss provisioning. Collateral values are appraised according to regulations of the BOT. The proportion of collateral value used in deducting the provisioning requirements for NPLs was 97.2% of the NPLs of commercial and mortgage loans.

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

3.1.4 Property Risk from Foreclosed Assets

Property risk from foreclosed assets is the impairment of assets transferred from loans, hire purchase receivables on which debtors had defaulted on their repayment obligations under the loan contracts, or restructured receivables. The value of repossessed assets is stated at the lower of cost and net realizable value. Outstanding assets in the process of liquidation held by TISCO Group as of December 31, 2020 were worth 29.67 million baht, or 0.01% of total assets. Allowance for impairment stood at 2.9% of total foreclosed assets.

▪ Credit Risk Management Framework

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

Credit risk is mainly incurred from subsidiary companies for which loans are the main business. Specific-Area credit risk authorities include the Credit Committee and Problem Loan Committee, which are established to oversee credit risk management and control of in-depth transactions of subsidiary companies. The Credit Committee is responsible for reviewing and granting credit approvals to any single client proposed by lending officers. The Credit Committee may delegate its authority to designated persons for authorizing lower-risk transactions. The Problem Loan Committee was set up to monitor and follow up on overdue payments of problem loan accounts and foreclosed assets on a regular basis.

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

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

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

3.2 Liquidity Risk

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

As of December 31, 2020, the value of liquid assets is 50,552.62 million baht, which is comprised of cash at 1,220.21 million baht compared to 1,102.56 million baht in December 31, 2019, net transactions with interbank and money market at 38,212.03 million baht compared to 45,300.14 million baht as of December 31, 2019 and net current investment at 11,120.38 million baht compared to 9,145.77 million baht as of December 31, 2019.

Currently, liquidity risk from maturity mismatch is moderate once adjustments for the historical behavior of creditors and debtors such as loan defaults or rollovers are taken into account. According to the maturity mismatch profile within 1 year, the cumulative gap shows matured assets over the matured liabilities account for 68,309.30 million baht. In addition, emergency credit lines, cash flow from operations as well as inter-bank borrowing shall be utilized as a cushion against funding risk.

As of December 31, 2020, the Bank reported deposits of 203,472.83 million baht, outstanding long-term debentures (both subordinated and unsubordinated) of 8,840.00 million baht, short-term debentures of 3,949.00 million baht, and bills of exchange amounting to 36.92 million baht.

▪ Liquidity Risk Management Framework

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

Key funding risk policies involve the management of cash flow maturity profiles, funding concentration, liquidity coverage ratio, net stable funding ratio, and liquidity contingency plan. Funding risk strategies shall take into account the liquidity status in the market and how unexpected changes would affect the company's risks. A manageable level of maturity mismatches of cash flows from assets and liabilities shall be consistently maintained and regularly monitored with liquidity stress testing, together with the level of liquidity reserve. Funding sources shall be well-planned to optimize risk/return while controlling excess concentration in certain funding sources is crucial. Contingency procedures for liquidity management in times of unexpected financial crisis must be established and made ready for timely activation.

3.3 Market Risk

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

3.3.1 Equity Price Volatility

As of December 31, 2020, the equity portfolio stood at 2,173.02 million baht, of which 454.80 million baht was listed equity, 55.60 million baht was unit trust, 890.05 million baht was ETF in current market value, and 772.57 million baht was non-listed equity measured at fair value in accordance with the Thai Financial Reporting Standards No. 9 (TFRS 9).

(1) Listed Equity Risk and ETF

TISCO Group is exposed to price risk from the market price volatility of listed equity, unit trust and ETF investments. Investment portfolio measured at fair value through profit or loss (FVTPL) stood at 1,400.45 million baht. As of December 31, 2020, mark-to-market gain from the investment portfolio equaled 310.99 million baht.

TISCO Group calculates Value at Risk (VaR) for risk assessment purposes and files reports to management as well as to the Risk Management Committee on a daily basis. VaR is a maximum potential loss at a predefined confidence level and time horizon. The three month investment horizon VaR at a 99.0% confidence level, excluding unrealized gain/loss, as of December 31, 2020, was 268.29 million baht, increased from 184.00 million baht as of December 31, 2019 mainly due to higher risk volatility and risk exposure via rise in market value. For effective risk management and control, trigger limits were set up to monitor the overall market risk profile, according to internal guidelines, such as concentration trigger limits, stop-loss trigger limits, etc.

(2) Non-Listed Equity Risk

Non-listed equity portfolio measured at fair value stood at 772.57 million baht, increased from 217.26 million baht from the end of 2019 due to recognition and measurement of financial assets at fair value through profit or loss (FVTPL), in accordance with Thai Financial Reporting Standards No. 9 (TFRS 9). Presently, the investment strategy of TISCO Group is not to increase the size of the non-listed equity portfolio, but to instead seek opportunities to liquidate, while at the same time closely monitor portfolio quality on a regular basis.

3.3.2 Interest Rate Risk

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

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

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

The Risk Management Committee also acts as the Assets and Liabilities Management Committee (ALCO), which is responsible for managing and maintaining interest rate risk at an appropriate level. TISCO Group's interest-bearing assets and liabilities structure, as of December 31, 2020, is provided in the following table.

(Unit: Million baht)

Interest Bearing Assets and Liabilities	Changed within 1 month	Changed within 2-12 months	Changed within 1-2 years	Changed after 2 years	Total
Assets	102,698.98	64,423.89	45,327.59	71,725.15	284,175.62
Liabilities	(80,510.17)	(130,295.72)	(5,541.32)	(6,855.40)	(223,202.61)
Net Gap	22,188.81	(65,871.83)	39,786.27	64,869.76	60,973.01

Under a change of interest rate within 1 year, TISCO Group had liabilities over assets within 2-12 months at 65,871.83 million baht. Considering the interest rate outlook for a gradual uptrend, the repricing gap structure was still under an acceptable risk level.

(2) Fixed-Income Risk

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

TISCO Group's fixed-income portfolio as of December 31, 2020 stood at 9,953.26 million baht, increased from 7,997.03 million baht at the end of 2019. Average duration of the bond portfolio was 0.30 years, increased from 0.19 years from the end of 2019. Fixed-income risk was under an acceptable level and meets the purpose of maintaining liquidity reserves according to the BOT's requirements.

▪ **Market Risk Management Framework**

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

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

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

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

3.4 Operational Risk

Reference is made to the definition given by the Basel Committee on Banking Supervision of the Bank for International Settlements and in accordance with the Policy Statement of the BOT regarding Operational Risk Management. Operational Risk is defined as the vulnerability of earnings, capital, or business continuity to inadequate, deficient or failed internal processes, people, technology or external factors including legal risk and fraud risk. The impact can be classified into financial loss and non-financial loss as reputational damage and business opportunity losses. TISCO Group is well aware that operational risk is one of the risks that may significantly impact the business undertaking of TISCO Group. Thereby, TISCO Group puts more emphasis on operational risk management and continuously develops operational risk management programs and processes with an aim to minimize the possible operational risks.

▪ **Operational Risk Management Framework**

The operational risk management policy is set by TISCO Financial Group Public Company Limited and is concurrently adopted across all subsidiary companies of TISCO Group. The Operational Risk Management function performs duties in supporting and compelling all functions to operate in accordance with the framework stipulated in the operational risk management policy and provides assurance on the adequate control systems established for each business under risk-return perspectives. Compliance functions have a duty to oversee all functions to operate in compliance with the rules and regulations of the supervisory authorities. IT Risk Management function performs IT risk analysis and provides proper recommendations to all IT and business functions for appropriate IT control level as well as

IT compliance. The Internal Audit function shall independently conduct audits and provide assurance on the internal control system and whole risk management processes under the supervision of the Audit Committee.

In 2020, TISCO Group expanded into digitalized service channels and launched new business products for customers; operational risk increased accordingly. Nevertheless, the inherent risks of such new businesses were analyzed and well managed to assure that they were mitigated to acceptable levels with prudent control processes established in compliance with the TISCO New Business Guidelines prior to launch. As a result of this business expansion as well as the increasing trend of complex fraudulent behavior, TISCO has enhanced the capacity of its Transaction Fraud Monitoring System. The system is capable of detecting irregularities for further prudent investigation on the appropriateness of transactional execution and to minimize the possible losses incurred either to customers or TISCO.

The ongoing operational risk management process of TISCO Group starts from the establishment of an operational risk management culture and continues by building control awareness in all business units and educating such units on the stipulations of the operational risk management framework for thorough understanding. For practice as a risk owner, all functions shall have to participate and be accountable for managing the operational risk of functions under their supervision. The Operational Risk Management function shall have a duty to manage overall operational risk in addition to supporting, overseeing and monitoring all functions to proceed in accordance with the determined operational risk management framework. In the process of operational risk assessment, key operational risks are identified together with control effectiveness. A remedial action plan as well as the Key Risk Indicators would be subsequently determined in order to mitigate the revealed residual risks, prevent the incurrence of possible risks and properly contain them within levels appropriate to each business (Risk Appetite). The result of the risk assessment in the corporate level would be reported to the Risk Oversight Committee, the Risk Management Committee, and the Audit Committee for acknowledgement. Due to the fact that information technology is crucial to the business operations of TISCO Group as well as the expansion of digitalized service channels, there has been a dramatic increase in IT risk, including but not limited to cyber threats. The IT Risk Management function shall be responsible for supervising and governing IT risk. The function also has a duty to assess the appropriateness and efficiency of control measures related to IT risk, follow IT risk through the IT KRI for properly mitigating risks, to contain them within acceptable risk levels, and to determine appropriate IT risk management. The IT Risk Committee has been set up with an aim to govern the efficiency of the IT risk management of TISCO Group.

As the incident management process is treated as an integral part of operational risk management, TISCO Group has arranged a supporting system to log and track such incidents. The purpose of the system arrangement is to have a systematic and integrated remedial process with monitoring control for timely responses. Other than that, the incident and loss database would be used to make analysis for mitigating repeated risks and for monitoring purposes in order to minimize the error rate and enhance operational efficiency. In addition, TISCO has formulated guidelines and authority delegation for considering and approving compensation made to customers as part of standardized practices and fair treatment of affected customers. The overall results of incident incurrence within TISCO Group as well as the notable operational incidents and the summarized report of compensation made to customers would be reported to the relevant committees for acknowledgement and determination of remedial actions as deemed appropriate. With respect to the complaint handling and management process, TISCO has arranged various channels for accepting complaints and has determined the measures for handling and resolving such complaints within a determined timeframe. The complaint cases shall be analyzed and the summarized results shall be reported to relevant management so as to improve the effectiveness of operational processes as deemed appropriate.

As TISCO Group undertakes financial businesses and provides financial services to customers, the continuity of business is a crucial matter that TISCO Group places high emphasis on. Thus, TISCO has developed and proactively prepared the readiness of every system and process related to the critical businesses to maintain continuous business operations (Business Continuity Plan) without any disruption. The Business Continuity Plan also covers the process for recovering critical systems within the determined period and the other relevant contingency and backup plans. The actions according to the Business Continuity Plan are tested on a regular basis in order to make all relevant business units understand their roles and responsibilities and the actions required to be taken whenever a crisis occurs. TISCO realizes the severity of impact on the safety of employees, customers, counterparties or other relevant parties, and thereby has established an Emergency Plan as an integral part of the Business Continuity Plan to determine

appropriate actions for managing various emergency situations arising from external events with the primary objective to secure the safety and minimize possible losses. In order to support and enhance the efficiency of the Business Continuity Plan, TISCO Group has determined a communication plan and channels for communication between management and employees, including channels with external parties in order to convey situation updates and corporate action plans to all relevant persons in a timely manner.

Given the current situation, cyber threats are a growing potential risk that could cause damage to the organization's business operations, either in the form of monetary effects, corporate reputation or other forms. TISCO is well aware of the impact of such threats and proactively prepares preventive measures and a proper response plan in the event such impacts occur. To raise awareness among all employees, information on cyber threats is regularly relayed through organizational training, postings in various office places including announcements on the corporate website, with an aim to avoid or reduce the possibility of being affected by cyber threats. Additionally, studies on the potential for a cyber-crime attack, monitoring and assessment of possible IT risks and cyber threats are regularly conducted in order to effectively improve the quality of risk management, appropriately harden security and prepare preventive measures and response plans, including communication plans, both for internal and external parties.

3.5 Strategic Risk

Strategic Risk is a form of uncertainty stemming from potential adverse business decisions, improper strategy implementation, or misalignment between strategy, target, organization structure, competition and resources that affects TISCO Group's earnings and capital.

3.5.1 Risk from Economic Conditions and Business Competition

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

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

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

3.5.2 Risk from Capital Adequacy

As of December 31, 2020, TISCO Bank's regulatory capital adequacy ratio (BIS ratio) based on the Basel III Internal Rating Based Approach (IRB), stood at 22.78%, remaining higher than the 11% required by the BOT. The Tier-I and Tier-II adequacy ratios stood at 18.07% and 4.71%, respectively, in which the Tier-I adequacy ratio also remained higher than the minimum requirement of 8.5%. For TISCO Group, the BIS ratio, Tier-I and Tier-II ratios stood at 21.86%, 17.48%, and 4.38%, respectively, also higher than the minimum capital requirements. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. remained strong at 43.47%, much higher than the minimum required ratio by the SEC of 7.0%.

As an internal risk measurement of capital adequacy (ICAAP), the risk-based capital requirement of TISCO Group stood at 13,024.70 million baht, accounting for 32.2% of total capital base under Basel III - IRB of 40,477.63 million baht, with capital surplus for future risks and business expansion totaling 27,452.93 million baht.

3.5.3 Risk from Subsidiary Financial Performance

TISCO Financial Group Plc. was established with the purpose of investing in other companies only. Therefore, the performance of the company depends on the performance of invested companies. Subsidiary risks involve the risk of TISCO Bank's business operations which is a core business of the company and other subsidiaries' business operations. The company holds shares in all 8 subsidiaries including TISCO Bank. While most of the net income comes from dividends received from its subsidiaries, volatile performance of subsidiaries may affect overall Group performance. In effect, the dividend payment to shareholders may also be volatile.

Profit recognition of TISCO Group comes from all subsidiaries, including TISCO Bank. As of December 2020, net profit of TISCO Bank and other subsidiaries was 5,818.97 million baht, where 2,032.66 million baht was from subsidiaries excluding TISCO Bank. Although the subsidiaries experienced outstanding business performance and generated profits for the company, investment strategy is important for the future. Therefore, the Board of Directors has defined an investment policy for TISCO Group where the company will invest in businesses which have the ability to support the competitive efficiency of the Group. Market and industry trends, competitive environment and long-term profit-making capability together with prudent risk management shall be considered.

Net income from subsidiaries, excluding TISCO Bank, accounted for 32.4% of total net income, meaning they have significant impact on TISCO Group's overall income. Net income from brokerage and investment banking are from TISCO Securities while net income from asset management is from TISCO Asset Management.

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

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

▪ Strategic Risk Management Framework

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

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

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

4. Operating Assets

4.1 Major Fixed Assets

Land, premises, and equipment – Net

Land, premises, and equipment of TISCO Group as of December 31, 2019 and 2020 are as follows: These assets are free from any obligations.

(Unit: Million baht)

List	Type of Property Right	Contingent Liability	Value	
			2020	2019
Land				
Cost	owner	none	17.51	17.51
Office condominium and building improvements				
Cost	owner	none	800.73	800.46
Revaluation	owner	none	2,490.41	2,488.78
Furniture fixtures computer and equipment				
Cost	owner	none	1,174.93	1,215.00
Motor vehicles				
Cost	owner	none	169.39	174.08
Total			4,652.97	4,695.83
<u>Less</u> Accumulated Depreciation			(1,731.23)	(1,711.68)
Land, premises, and equipment – Net			2,921.74	2,984.15

Rental contracts between the Company and its subsidiaries

Office suite rental agreements between the Company and its subsidiaries located at TISCO Tower are based on 1-3 year contracts at normal market prices. These contracts are illustrated as follows:

Type of Assets	Renter	Owner	Area (sq.m.)
TISCO Tower Office	TISCO Securities Co., Ltd	TISCO Financial Group Plc.	3,780.39
TISCO Tower Office	TISCO Information Technology Co., Ltd.	TISCO Financial Group Plc.	3,416.98
TISCO Tower Office	TISCO Bank Plc.	TISCO Financial Group Plc.	1,286.47
TISCO Tower Office	TISCO Learning Center Co., Ltd.	TISCO Financial Group Plc.	110.00
TISCO Tower Office	TISCO Insurance Solution Co., Ltd.	TISCO Financial Group Plc.	948.91

4.2 Loans

Classification of assets

Asset classification in TISCO group consists of loans and receivables, investments in securities and property foreclosed. Our asset classification policies are in compliance with those set by the BOT and the SEC. The details of asset classification as of December 31, 2020 are shown below:

(Unit: Million baht)

Classification	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortized cost	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	36,962	9,408	-	190,435	236,805	
Financial assets with significant increases in credit risk (Under-performing)	-	-	-	29,139	29,139	
Financial assets that are credit-impaired (Non-performing)	-	25	12	5,166	5,203	
Total	36,962	9,433	12	224,740	271,147	

Provision for Loan Loss Policy

The Group applies the General Approach to calculate 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 expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial asset.

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

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognises the 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 may use internal quantitative or 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 and 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 of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

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 judgment to estimate the amount of

expected credit loss, using current macroeconomic data and macroeconomic forecasts. 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 judgment 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 for 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.

In addition, the Group has adopted the accounting guidance in determining the staging of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars.

Provision of Asset Impairment Policy

TISCO Group will reserve provisioning in cases of asset impairment by considering impairment indicators based on generally accepted accounting principles (GAAP) and by estimating the receivable value of the assets.

Policy of revenue recognition on interest income

TISCO Group has 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. If loans to customers 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.

4.3 Investment in Securities

Details of investment in securities are shown in Notes to Financial Statements, item 4.4 Financial assets measured at fair value through profit or loss and item 4.6 Investments.

Securities Investment Policy

Securities investment policy is described in Part 1 Section 2: Business Operations by Area, item 2.3

Risk Management of Investment Portfolio

TISCO Group diversifies its investments in order to avoid high concentrations in single securities. Appropriate investment opportunities are emphasized to ensure a proper risk-return trade-off. In addition, the Group has set up an integrated risk management system to aggregate all investment risks, where the issues of capital adequacy and the prospect of risk-return from each investment are incorporated to enable timely portfolio adjustment if required. Details of risk management are listed in Part 1 Section 3: Risk Factors.

4.4 Policies on investment in subsidiaries and Joint Venture Company

The details on investment in subsidiaries and joint venture company are presented in Notes to Financial Statements item 4.7.1 Investment in subsidiaries and 4.7.2 Investment in joint venture

The subsidiaries and joint venture company has a policy to invest its funds in investment activities that generate sufficient returns in relation to risk, with the objective to maximize value creation for the Company and its shareholders. The Company's investments can be divided into 2 groups Strategic Investment and Financial Investment.

1) Strategic Investment

Strategic Investments are investment in equity of subsidiaries or affiliated companies for the purpose of fulfilling TISCO Group corporate mission, business strategies, and action plans. The Company will invest in strategic investment to the extent that the Company gains managerial control, and thus able to direct the company according to the Group direction and governance.

Strategic Investments shall be made in company with good business prospects, which supplements well with the group businesses. The investments shall also be justified in terms of risk-return in the long run, considering group's overall sustainability and profitability, and shall be free of any conflict of interests.

Subsidiaries companies under strategic investment are required to strictly comply with group's governance policies, which comprehensively constitutes all key strategic & control areas including governance and operating structure, business strategy, management, operations, risk and control, human resource, finance and accounting, corporate affairs, and public and client communications. All decisions for strategic investment required case by case approval by the Executive Board of TISCO Financial Group Plc.

2) Financial Investment

Financial Investments are investment in financial instruments for the purpose of earning financial returns as well as for liquidity management. The investment may be in various types of financial instruments, e.g. fixed income, equities, hybrids, mutual funds, etc.

Financial investments shall be made with good justification of risk and returns, and careful consideration of liquidity, capital adequacy, and risk tolerance.

Financial investments shall also be made only in instruments that the Company has sufficient knowledge of risk and returns, and shall be well supported by good risk management system.

Table illustrates details of investment in subsidiaries and joint venture company

(Unit : Million baht)

Company Name	Paid up As of December 31, 2020	Cost Method As of December 31, 2020
TISCO Bank Plc.	9,216	17,641
TISCO Securities Co., Ltd.	1,000	1,075
TISCO Asset Management Co., Ltd.	100	110
Hi-Way Co., Ltd.	600	773
TISCO Information Technology Co., Ltd.	20	22
TISCO Insurance Solution Co., Ltd.	100	137
Primus Leasing Co., Ltd. ^{/1}	3	33 ^{/2}
TISCO Learning Center Co., Ltd.	5	5
All-ways Co., Ltd.	200	200
TISCO Tokyo Leasing Co., Ltd. ^{/3}	60	73
Investment in subsidiaries and joint venture company - net		20,069

^{/1} Ceased business operation and proceeding liquidation process

^{/2} Deducted impairment in investment

^{/3} Joint venture Company

5. Legal Disputes

As of December 31, 2020, the Company and its subsidiary companies had 33 unresolved cases from its regular business operations, all of them are cases caused by banking business operation (TISCO Bank Plc.) and asset management business (TISCO Asset Management Co., Ltd.) involving an estimated total amount 391.97 million baht, which was less than 5% of its shareholders' equity, consisting of:

(1) 30 cases that TISCO Bank being sued (estimated total amount of 388 million baht), there were 13 cases involving total amount of 61.95 million baht which were in the tribunal process and not yet reach judgment. Furthermore, there were 8 cases, with a total value of 305.98 million baht that already dismissed by the Court of First Instance and/or the Appeal Court, however, the plaintiffs still appealed to the Appeal Court or Supreme (Dika) Court.; and there were 1 case, with a total value of 1.95 million baht that already reach judgment, however, TISCO Bank still appealed to the Appeal Court and 1 case with a total value of 18.12 million baht which other defendant appealed to the Appeal Court.

(2) 3 cases that TISCO Asset Management Co., Ltd. being sued (estimated total amount of 3.97 million baht) 2 cases was in the tribunal process was not reach judgment (estimated total amount of 3.33 million baht) and 1 case was appealed to the Appeal Court by the plaintiffs (estimated total amount of 0.64 million baht).

Additional details on legal disputes are presented in Notes to Financial Statements; 4.38.2 Litigation. The management of the TISCO Group believes that neither the Company nor its subsidiary companies will suffer material loss as a result of the abovementioned lawsuits. In addition, there is no claim against the Company by the directors, managements or any related person of the Company or its subsidiary companies.



6. General Information

6.1 General Information

Company Name	:	TISCO Financial Group Public Company Limited
Symbol	:	TISCO
Type of Business	:	Holding Company
Address	:	21 st Fl., TISCO Tower, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok 10500
Registration Number	:	0107551000223
Total registered capital	:	Baht 8,007,032,950 (Eight thousand and seven million, thirty two thousand and nine hundred and fifty Baht)
Paid-up Capital	:	Baht 8,006,554,830 (Eight thousand and six million, five hundred and fifty-four thousand and eight hundred and thirty Baht) comprising of 800,645,624 common shares and 9,859 preferred shares, both with par value of 10 baht per share
Home Page	:	www.tisco.co.th
Telephone	:	(66) 2633 6000
Fax	:	(66) 2633 6800
Reference:		
Share Registrar	:	Thailand Securities Depository Co., Ltd. 93 Rachadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. (66) 2009 9000 Fax (66) 2009 9991 SET Contact Center: (66) 2009 9999 Email: SETContactCenter@set.or.th Website : www.set.or.th/tsd
Auditor	:	Ms. Somjai Khunapasut CPA License No. 4499 EY Office Limited 33 rd Fl., Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110 Tel. (66) 2264 0777 Fax. (66) 2264 0789-90

6.2 Other Important Information

None

Part 2

Management and Corporate Governance

7. Securities and Shareholders Information

7.1 Registered and Paid-up capital

(1) Registered and paid-up capital as of December 31, 2020 comprising of :

Registered capital : Baht 8,007,032,950

(Eight thousand and seven million thirty-two thousand and nine hundred and fifty Baht)

Paid-up capital : Baht 8,006,554,830

(Eight thousand and six million five hundred and fifty four thousand eight hundred and thirty Baht) comprised of

800,645,624 common shares (Eight hundred million six hundred forty-five thousand six hundred and twenty-four shares) and

9,859 preferred shares (Nine thousand eight hundred and fifty nine shares)

at par value of 10.00 Baht per share.

(2) Other Securities

Preferred Shares

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

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

As of December 30, 2020, Thai NVDR Co., Ltd., a subsidiary wholly owned by the SET, issued Non-Voting Depository Receipts (NVDRs) which have the Company's shares as underlying securities totaling 80,426,214 shares, or 10.05% of paid-up capital, consisting of 80,418,914 common shares and 7,300 preferred shares. Although all financial benefits received by NVDR investors are similar to the benefits from the Company's shares, NVDR investors shall have no voting rights in shareholder meetings except in case of a delisting decision. Therefore, if a great number of the Company shares are sold to investors as NVDRs, the number of shares with voting rights will be lessened.

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

7.2 Shareholders

(1) The Company's Major Shareholders

The top 10 major shareholders whose names appeared in the share registration book as of December 30, 2020, are as follows.

No.	Shareholders	Outstanding Stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	THAI NVDR CO., LTD.	80,418,914	7,300	80,426,214	10.05
2	CDIB & PARTNERS INVESTMENT HOLDING PTE.LTD.	80,065,320	-	80,065,320	10.00
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	55,315,107	-	55,315,107	6.91%
4	TOKYO CENTURY CORPORATION	39,482,767	-	39,482,767	4.93%
5	STATE STREET EUROPE LIMITED	33,467,971	-	33,467,971	4.18%
6	STATE STREET BANK AND TRUST COMPANY	18,572,195	-	18,572,195	2.32%
7	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	16,379,338	-	16,379,338	2.05%
8	SOCIAL SECURITY FUND	14,562,530	-	14,562,530	1.82%
9	KRUNGSRI DIVIDEND STOCK LTF	14,354,000	-	14,354,000	1.79%
10	THE BANK OF NEW YORK MELLON	9,885,800	-	9,885,800	1.23%
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS		362,503,942	7,300	362,511,242	45.28%
OTHER SHAREHOLDERS		438,141,682	2,559	438,144,241	54.72%
GRAND TOTAL		800,645,624	9,859	800,655,483	100.00%

Remarks:

- CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation (Taiwan) via CDIB & Partners Investment Holding Corporation (Cayman). CDIB & Partners Investment Holding Corporation (Taiwan) is 28.71% and 4.95% owned by CDIB Capital Group and KGI Bank, respectively. Both CDIB Capital Group and KGI Bank are 100% subsidiaries of China Development Financial Holding Corporation which is a listed company in Taiwan Stock Exchange.
- SOUTH EAST ASIA UK (Type C) Nominees Limited are a global custodian keeping securities for customers who are end beneficiaries. Each customer holds less than 5% in TISCO.

(2) Subsidiary Company operated as core business of the Group

Details of TISCO Bank Public Company Limited which Subsidiary Company operated as Core Company of the Group

(2.1) Registered and paid-up capital as of December 31, 2020 comprising of:

Registered capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht)

Paid-up capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht) comprised of

921,567,588 common shares (Nine hundred twenty one million five hundred sixty seven thousand five hundred and eighty eight common shares) and

104 preferred shares (One hundred and four preferred shares)

at par value of 10.00 Baht per share.

(2.2) Major Shareholders of the Company

The top 10 major shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 25, 2020, were as follow.

No.	Shareholders	Outstanding stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	TISCO Financial Group Public Company Limited	921,452,713	-	921,452,713	99.99
2	Mr. Kittichai Kraikorkit	30,247	-	30,247	0.00
3	Ms. Pomsuk Pornprapa	8,100	-	8,100	0.00
4	Ms. Supavadee Piyamongkolvong	6,000	-	6,000	0.00
5	Ms. Rachit Kowattanakul	6,000	-	6,000	0.00
6	Mr. Suchart Tangkvivij	5,000	-	5,000	0.00
7	BANK JULIUS BAER & CO., LTD.	4,800	-	4,800	0.00
8	Mr. Pracha Leelaprachakul	3,624	-	3,624	0.00
9	Mr. Songrit Kongpipatchaisiri	3,000	-	3,000	0.00
10	Mr. Prapat Srinuwattiwong	3,000	-	3,000	0.00
TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS		921,522,484	-	921,522,484	100.00
OTHER SHAREHOLDERS		45,104	104	45,208	0.00
GRAND TOTAL		921,567,588	104	921,567,692	100.00

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

(3) The company enters into shareholders' agreement with effect to security offering and issuance or management power of the company.

None

7.3 Other Securities

7.3.1 Debentures issuance

The Company

As of December 31, 2020, TISCO Financial Group Public Company Limited has unsubordinated, unsecured, without bond holders' representation short-term debenture with interest rate of 0.55%-1.05% per annum. The total outstanding debenture was at 1,629 million baht.

Subsidiary and Affiliate Companies

As of December 31, 2020 TISCO Bank Plc. has subordinated and unsubordinated debentures with total outstanding of 8,840 million baht. The details are provided as follows:

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
1. The Debenture of TISCO Bank Plc. No. 1/2020 Tranche 1 Due 2022 (TISCO223B) Issuing Date: March 30, 2020 TRIS Issue Rating: "A"	1.40	2	March 30, 2022	2,200	Twice a year
2. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2016 Due 2026 (TISCO268A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: August 10, 2016	3.875	10	August 10, 2026	680	4 times a year
3. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2017 Due 2027 (TISCO272A) with the Issuer's right to early redeem, which may be	4.00	10	February 23, 2027	1,000	4 times a year



Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 23, 2017					
4. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2017 Due 2027 (TISCO27NA) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: November 15, 2017	3.70	10	November 15, 2027	600	4 times a year
5. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2029 (TISCO292A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 1, 2019	4.00	10	February 1, 2029	1,200	4 times a year
6. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2029 (TISCO292B) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 22, 2019	4.00	10	February 22, 2029	1,200	4 times a year
7. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2030 (TISCO306A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: June 10, 2020	3.15	10	June 10, 2030	690	4 times a year
8. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2030 (TISCO300A) with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: October 21, 2020	3.50	10	October 21, 2030	1,250	4 times a year

Subsidiary Companies

As of December 31, 2020, TISCO Bank had outstanding short-term bills of exchange totaled 36.92 million baht with 2.50% coupon rate, all in forms of callable bill of exchange.

As of December 31, 2020, Hi-Way Company Limited had outstanding short-term bill of exchange totaled 3,180 million baht with 1.75% coupon rate, all in forms of callable bill of exchange.

7.4 Dividend Policy

The Company

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

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

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

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

Subsidiary Companies

Subsidiary and affiliate companies' dividend will be the major source of income of TISCO Financial Group Plc. ("the Company"). Each and every subsidiary and affiliate companies shall make dividend payments as advised by the Company. The considering was based on financial performance, long-term capital adequacy, capital expenditure requirements, and business strategies of each company. For TISCO Bank ("The Bank"), the Bank shall pay dividends at the appropriate rate to ensure that after the dividend payment, the Bank BIS ratio will be maintained above 12% to satisfy the Bank of Thailand's criteria for Qualified Bank.

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

8. Management

8.1 Management Structure and Board of Directors

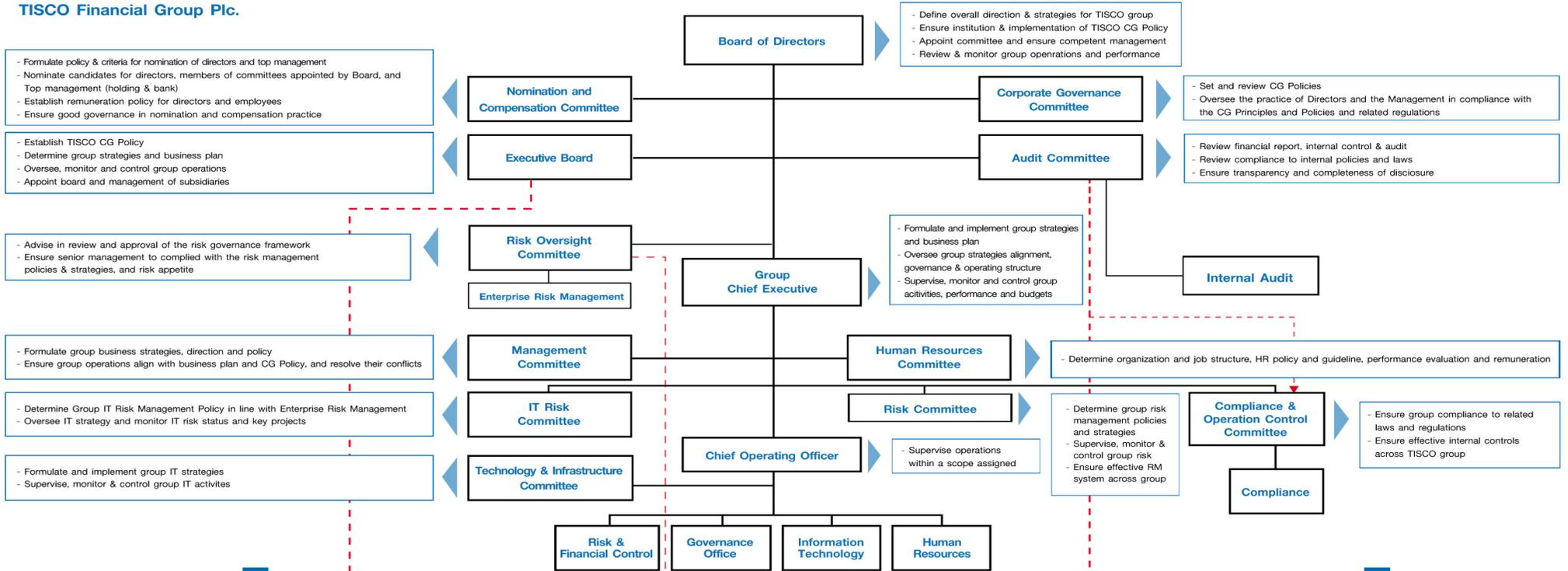
TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees, and monitors business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management,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

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

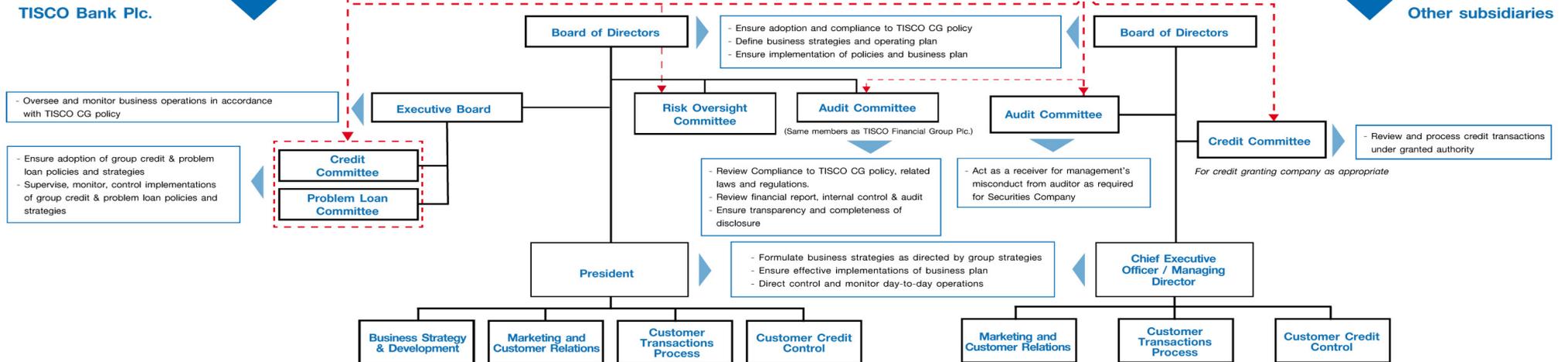


Governance Structure

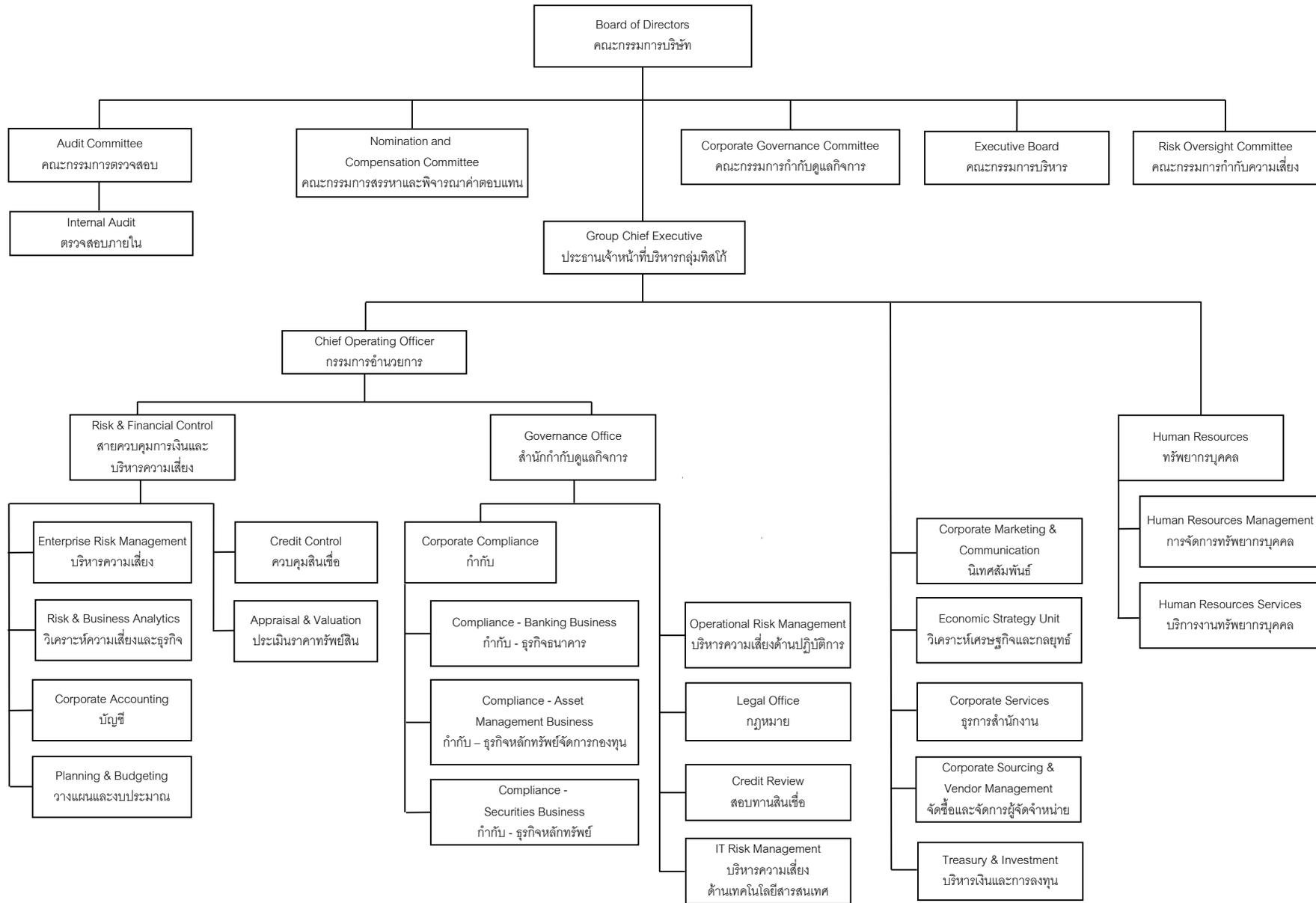
TISCO Financial Group Plc.



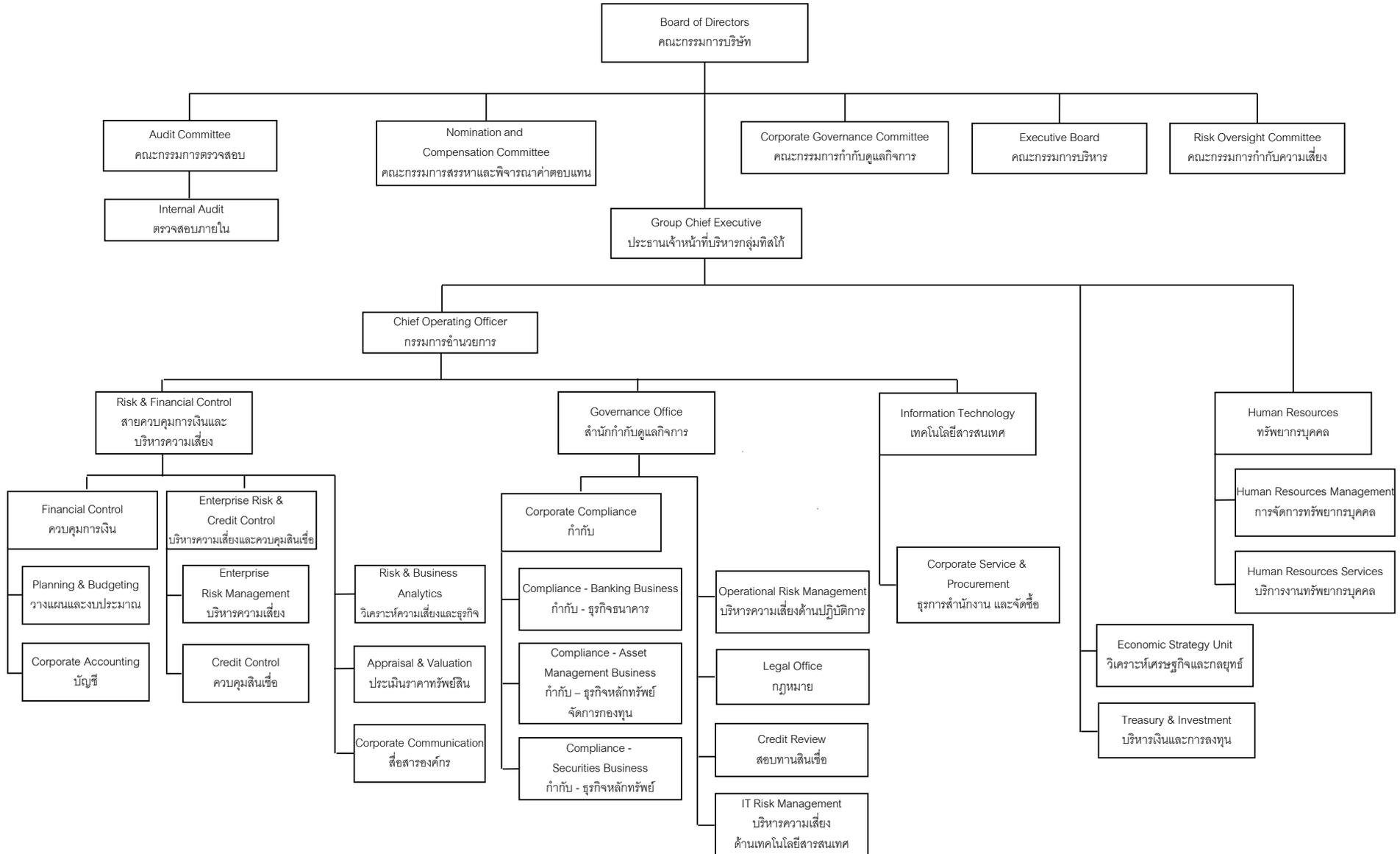
TISCO Bank Plc.



Management Structure of TISCO Financial Group Public Company Limited as of December 31, 2020



Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2021



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

Board of Directors Structure

The Board of Directors consisted of Directors from diversified backgrounds and experience, with sufficient understanding of banking and finance, accounting, economics, strategy, law and information technology deemed appropriate. On December 31, 2020, the Board of Directors consisted of 12 directors, including 3 females (25% of the total number of directors) and 9 males (75% of the total number of directors), the number of directors is appropriate for the Company's business operations. The election of Board members followed the resolution of the shareholders meetings, as well as the laws and regulations and the Company's Articles of Association. The composition is in conformity with the notifications of the Bank of Thailand, the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission, as well as the diversity of vocation, skill, age, gender, experience, and any other appropriate qualifications. As of December 31, 2020, the Board of Directors comprised the following directors:

- The six Independent Directors¹, 50% of the total number of directors, are Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjriwat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom
- The two Non-executive Directors, 16.67% of the total number of directors, are Mr. Hon Kit Shing (Alexander H. Shing) and Prof. Dr. Teerana Bhongmakapat
- The four Executive Directors², 33.33% of the total number of directors, are Mr. Suthas Ruangmanamongkol, Mr. Chi-Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechatap

¹ "Independent Director" has the meaning specified in the Bank of Thailand's Notification No. SorNorSor. 13/2552 Re: Corporate governance of financial institutions, and the Capital Market Supervisory Board's Notification No. TorJor. 28/2551, Re: Application and approval for offering newly issued shares, and/or their amendments (if any). Moreover, the number of shares held by an independent director and his/her related parties combined shall not exceed 0.5% of the total voting shares of the Bank, or the Bank's parent company, subsidiaries, or associate companies, or major shareholders, or the persons having the authority to control the Bank. This shareholding restriction of not more than 0.5% is the Bank's standard, which is a higher standard than that set by the Capital Market Supervisory Board, which prohibits an independent director from holding more than 1% of the total voting shares of the company of which he/she is a director.

² "Executive Director" means any director who holds an executive position, or any director who is in charge of any actions deemed to be taken by executive, and shall include any authorized director except where it can be demonstrated that such authorized director signs on transactions which have been approved by the board of directors and jointly with other directors, following the Capital Market Supervisory Board's Notification No. TorJor. 28/2551 Re: Application and approval for offering newly issued shares, and/or their amendments (if any).

8.1.1 Board of Directors

As of December 31, 2020, the Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. The Board of Directors comprised the following 12 directors:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Vice Chairman, Non-Executive Director and Member of the Nomination and Compensation Committee
3. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
4. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
5. Prof. Dr. Pranee Tinakorn	Independent Director, Chairperson of the Nomination and Compensation Committee and Member of the Corporate Governance Committee
6. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director, Chairman of the Risk Oversight Committee and Chairman of the Corporate Governance Committee
7. Mr. Sathit Aungmanee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
8. Dr. Charatpong Chotigavanich	Independent Director, Member of the Risk Oversight Committee and Member of the Corporate Governance Committee
9. Dr. Kulpatra Sirodom	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
10. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
11. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
12. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and Chief Operating Officer

Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

Authority and Responsibilities of Chairman of the Board:

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.
3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
5. Ensure good working relationship between the executive and non-executive directors and ensure adequate time for discussion of all agenda, particularly strategic issues.
6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
7. Maintain access to senior management for vital information related to TISCO business as is necessary and useful, and provide access, advice and support to the Group CEO in the development of strategy.
8. Promote effective relationships and communications between non-executive directors and senior management.

9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.
10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

Authority and Responsibilities of Vice Chairman of the Board:

1. Take the role as the acting Chairman of the Board during the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.
2. Assist the Chairman of the Board with agenda related to TISCO Board of Directors, in particular any agenda pertaining to the "Executive Committees or Bodies" created by the Board except any independent committees or bodies, such as Nomination and Compensation Committee, Audit Committee and Corporate Governance Committee.
3. Act as the Chairperson of Executive Board and any Executive Committees and Bodies (see definition above) when:
 - a. the Chairperson is absent or unable to perform the duties for a period of time until such replacement Chairperson is appointed by Board of Directors, or
 - b. recommended by the Nomination and Compensation Committee and approved by Board of Directors.

Authority and Responsibilities of the Board of Directors:

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistleblowing policy and internal control system.
7. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
8. Approval of the appointment, relocation and dismissal of Head of Risk Management Function and Head of Internal Audit Function.
9. Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.
10. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third party evaluation (if necessary).
11. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
12. Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
13. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
14. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.

The following activities require approval of the Board of Directors:

1. Vision, Mission, Brand and Corporate Value
2. TISCO's business model, corporate strategies, business plan, and financial budgets
3. Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO

4. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
5. Appointment of Board of Directors and Subcommittees as well as delegation of authority
6. Nomination and appointment names of qualified candidates for Group Chief Executive
7. Performance Evaluation of Group Chief Executive

For the business operations which require approval from shareholders meeting: requirement by laws such as increase or decrease the Company's capital, issuance of debentures, sales or transfers of whole or important parts of the Company business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Company's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Company's regulators.

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

Details of the Board of Directors of TISCO Bank Public Company Limited, the core company of TISCO Group, are shown in 8.1.7 and Attachment 1-2.

8.1.2 Executive Board

As of December 31, 2020, the Executive Board which was appointed by the Board of Directors comprised the following four Executive Directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechapat	Member of the Executive Board

Authority and responsibilities of Executive Board:

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

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

8.1.3 Risk Oversight Committee

As of December 31, 2020, the Risk Oversight Committee was appointed by the Board of Directors. The Risk Oversight Committee comprised the following Non-executive Director, Independent Director, Executive Director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Chatri Chandrangam	Member of the Risk Oversight Committee

Authority and responsibilities of Risk Oversight Committee:

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

8.1.4 Audit Committee

As of December 31, 2020, the Audit Committee which was appointed by the Board of Directors comprised the following three Independent Directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: All 3 members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.

Authority and responsibilities of Audit Committee:

1. Review TISCO Group's financial report to ensure accuracy and adequacy.
2. Review and evaluate that TISCO Group has suitable and efficient internal control system and internal audit.
3. Review TISCO Group's operations to ensure compliance with related laws and regulations.
4. Consider, select and nominate the external auditor of TISCO Group, recommend remuneration of such auditor, removal of such auditor, as well as meet with the external auditor at least once a year without participation of management.
5. Consider connected transaction or the transaction that may cause conflict of interest to ensure the appropriateness and best interest of TISCO Group.
6. Review accuracy and completeness of the disclosure of TISCO Group, especially the connected transaction or the transaction that may cause conflict of interest.
7. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
8. Consider the independence of TISCO Group's Internal Audit function, and approve Internal Audit Policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
9. Appoint, transfer, or dismiss Head of Internal Audit and review an effectiveness and efficiency of Head of Internal Audit's performance

10. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Company's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.
11. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.
12. Review and assess compliance with policies on conflict of interest and significant issues which may incur between TISCO Bank and investors in the funds managed by TISCO Asset Management and report to the Board of Directors.
13. Joint Meeting – The Committee shall attend an annual joint meeting with the Risk Oversight Committee to acknowledge and exchange views on the sufficiency and effectiveness of TISCO risk management policies and strategies.

8.1.5 Nomination and Compensation Committee

As of December 31, 2020, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons:

Name	Position
1. Prof. Dr. Pranee Tinakorn	Chairperson of the Nomination and Compensation Committee
2. Mr. Hon Kit Shing (Alexander H. Shing)	Member of the Nomination and Compensation Committee
3. Mr. Sathit Aungmanee	Member of the Nomination and Compensation Committee
4. Dr. Kulpatra Sirodom	Member of the Nomination and Compensation Committee

Authority and Responsibilities of Nomination and Compensation Committee:

Nomination

1. Formulate policy, criteria, and method for nominating candidates for directors and Top Management of the Company and its subsidiary companies in TISCO Group to the Board for consideration and submit the policy to regulatory parties upon request.
2. Select and nominate names of qualified candidates to the Board of Directors of the Company and its subsidiary companies, which are directly supervised by financial and capital market regulators (TISCO Bank, TISCO Securities and TISCO Asset Management), for the following positions;
 - Directors
 - Members of committees whose functions, responsibilities and authorities are directly given by the Board of Directors
 - Top Management
 - Advisor(s) to the Board of Directors and/or committees whose functions, responsibilities and authorities are directly given by the Board of Directors
3. Ensure that size and composition of the Board of Directors of the companies in TISCO Group is appropriate for the organization and the business environment. The Board should comprise members who have diversified expertise and experience.
4. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee, the Corporate Governance Committee, and the Risk Oversight Committee and propose result to the Board of Directors for approval.
5. Ensure that the meeting(s) between the Board and members of Management Committee in absence of the Group CEO is arranged at least once a year prior to his/her annual performance assessment.
6. Ensure that succession plan for Group CEO and members of Management Committee of the companies in TISCO Group is properly developed to allow smooth and continuity of business operations, and that such plan is reviewed periodically.
7. Ensure that the professional development program for Directors and Management are assorted properly.
8. Disclose the nomination policy and process in the Annual Report.

Compensation

9. Review and establish clear and transparent remuneration and benefit policy and criteria for the directors, committee members, Advisor(s) and TISCO Group's employees as proposed by the management.
10. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.
11. Devise performance assessment criteria for board members and TISCO Group's employees for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
12. Review and approve promotion, remuneration, and benefit of Group CEO.
13. Review and consider the Group CEO's proposal for appointment, performance evaluation, promotion, remuneration, and benefit of each member of Management Committee and one further level down.
14. Review and consider the management's proposals for the total amount of annual performance-oriented, short-term and long-term incentives as well as merit increase for TISCO Group's employee.
15. Disclose the remuneration policy, actual payment in various forms for directors as well as prepare and disclose the Committee's report that at least covers the objectives, activities and opinion of the Committee in the Annual Report.
16. Report activities to the Board of Directors on a regular basis.
17. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

8.1.6 Corporate Governance Committee

As of December 31, 2020, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Corporate Governance Committee
2. Prof. Dr. Pranee Tinakorn	Member of the Corporate Governance Committee
3. Dr. Charatpong Chotigavanich	Member of the Corporate Governance Committee

Authority and Responsibilities of Corporate Governance Committee:

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

Board of Directors Meeting of the Company

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

The Board of Directors Meeting No. 6/2020 on October 29, 2020 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2021 in advance which not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2021	Wednesday February 24	Thursday January 28	Wednesday January 20	Friday January 8	Tuesday January 12	Thursday February 18
2/2021	Friday April 23	Tuesday February 23	Thursday February 11	Tuesday February 9	Tuesday February 23	Thursday July 8
3/2021	Monday June 21	Thursday March 25	Wednesday March 24	Friday March 5	Friday April 23	Thursday November 11
4/2021	Tuesday June 22	Friday April 23	Wednesday May 19	Friday April 2	Friday June 18	-
5/2021	Tuesday August 24	Thursday May 27	Wednesday July 21	Tuesday May 11	Monday August 23	-
6/2021	Monday October 25	Friday June 18	Wednesday September 22	Friday June 4	Thursday October 21	-
7/2021	Tuesday October 26	Thursday July 22	Wednesday November 17	Friday July 9	Monday December 13	-
8/2021	Monday December 20	Monday August 23	-	Thursday August 10	-	-
9/2021	-	Thursday September 23	-	Friday September 10	-	-
10/2021	-	Wednesday October 20	-	Friday October 8	-	-
11/2021	-	Thursday November 25	-	Wednesday November 10	-	-
12/2021	-	Wednesday December 15	-	Friday December 3	-	-

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

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

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance.

Details of Board of Directors meeting and subcommittee meeting attendance of TISCO Financial Group Public Company Limited's directors in 2020 are as follows:

Name	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
No. of total meetings (times) (percentages)	8 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)	5 (100.00)	2 (100.00)
1. Mr. Pliu Mangkornkanok	8 (100.00)	-	-	-	-	-
2. Mr. Hon Kit Shing (Alexander H. Shing)	6 ¹ (75.00)	-	-	-	4 ¹ (80.00)	-
3. Mr. Suthas Ruangmanamongkol	8 (100.00)	12 (100.00)	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjivat	8 (100.00)	-	-	14 (100.00)	-	-
5. Prof. Dr. Pranee Tinakorn	8 (100.00)	-	-	-	5 (100.00)	2 (100.00)
6. Prof. Dr. Teerana Bhongmakapat	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
7. Mr. Sathit Aungmanee	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
8. Dr. Charatpong Chotigavanich	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
9. Dr. Kulpatra Sirodom	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
10. Mr. Chi-Hao Sun (Howard Sun)	6 ¹ (75.00)	10 ¹ (83.33)	-	-	-	-
11. Mr. Satoshi Yoshitake	8 (100.00)	12 (100)	-	-	-	-
12. Mr. Sakchai Peechapat	8 (100.00)	12 (100.00)	6 (100.00)	-	-	-

Remark ¹ Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Hon Kit Shing and Mr. Chi-Hao Sun are unable to attend the meetings in person one time. However, both of directors has fully attended the Board of Directors meeting and/or the Executive Board Committee meeting and/or the Nomination and Compensation Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

8.1.7 Details of Board/Committees of TISCO Bank Public Company Limited, the core company of TISCO Group

8.1.7.1 TISCO Bank's Board of Directors

As of December 31, 2020, TISCO Bank's Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. TISCO Bank's Board of Directors consisted of 10 directors as follows:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
3. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
4. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director and Chairman of the Risk Oversight Committee
5. Mr. Sathit Aungmanee	Independent Director and Member of the Audit Committee
6. Dr. Charatpong Chotigavanich	Independent Director and Member of the Risk Oversight Committee
7. Dr. Kulpatra Sirodom	Independent Director and Member of the Audit Committee
8. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
9. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
10. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and President

Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

Authority and Responsibilities of TISCO Board of Directors:

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.
3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
5. Ensure good working relationship between the executive and non-executive directors and ensure adequate time for discussion of all agenda, particularly strategic issues.
6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
7. Provide access, advice and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.
8. Promote effective relationships and communications between non-executive directors and senior management.
9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.
10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

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

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

1. Approve business & operating plan of the Bank, as directed by TISCO Group's corporate strategies and business plan.
2. Ensure the institution of internal business codes and ethics, codes of conduct for directors, management and employees.
3. Continuously review the Bank's operations to ensure that its directors, management, and employees conduct the Bank's businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.
4. Ensure competent management of the Bank including appointing senior management.
5. Ensure the institution of effective systems for internal control and audit.
6. Ensure that the Bank's management refers significant issues to the Bank's Board of Directors.
7. Ensure that the Bank's management has in place risk management policies, processes and controls of all risk types. The Board shall be responsible for approval of adoption and ongoing implementation of such risk management policies and guidelines.
8. Appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy.
9. Ensure that the Bank has policies, guidelines and controls procedures for granting credit and investment transactions with related parties.

10. Ensure that there is a process for prompt submission of management letters from the external auditor and management to the Bank's Board of Directors.
11. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Bank, in particular, the proportion or the number of independent directors on the Board.
12. Ensure that the Board and the parent company receive sufficient information to effectively discharge its authorities, duties, and responsibilities.
13. Report business activities and financial performance to the shareholders.
14. Report business activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the Bank of Thailand.

The following responsibilities of the Board of Directors require approval from shareholders meeting: requirement by laws such as increase or decrease the Bank's capital, issuance of debentures, sales or transfers of whole or important parts of the Bank business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Bank's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Bank's regulators.

The Board of Directors may assign any other committees or an attorney to conduct the businesses on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest - as defined by the Securities and Exchange Commission - with stakeholders or may have any other conflict of interest with the Bank.

8.1.7.2 TISCO Bank's Executive Board

As of December 31, 2020, TISCO Bank's Executive Board was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Executive Board comprised the following four executive directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechat	Member of the Executive Board

Authority and Responsibilities of TISCO Bank's Executive Board:

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

1. Determine and propose business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to Board for approval.
2. Review and oversee the business plan and budget and monitors performance.
3. Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
4. Approve transactions involving high risk.
5. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
6. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
7. Approve annual compliance report of TISCO Bank in order to ensure the Board's acknowledgement and accountability on compliance.

8.1.7.3 Risk Oversight Committee

As of December 31, 2020, TISCO Bank's Risk Oversight Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Risk Oversight Committee comprised the following non-executive director, independent director, executive director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Metha Pingsuthiwong	Member of the Risk Oversight Committee

Authority and responsibilities of Risk Oversight Committee:

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

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

8.1.7.4 Audit Committee

As of December 31, 2020, TISCO Bank's Audit Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Audit Committee comprised the following three independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: - All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.
- The Audit Committee is same members of the parent company, TISCO Financial Group Public Company Limited

Authority and responsibilities of Audit Committee:

Under consolidated supervision framework, TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO Group, business strategy, management and operations, risk and controls, human resources, finance and accounting, and corporate affairs, and corporate communications. The Audit Committee shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The Audit Committee has authority and responsibilities as detailed below;

1. Review the Bank's financial report to ensure accuracy and adequacy.
2. Review and evaluate that the Bank has suitable and efficient internal control system and internal audit.
3. Nominate and/or remove the independent person to be the external auditor of the Bank and recommend remuneration of such auditor as determined by the Audit Committee of the parent company as well as meet with the external auditor at least once a year without participation of management.
4. Ensure the accuracy and completeness of the disclosure of the Bank, especially the connected transaction or the transaction that may cause conflict of interest.
5. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.

6. Report to the Board of Directors of the Bank and Audit Committee of the parent company in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Bank's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws and regulations of related regulatory agencies. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand
7. Conduct the businesses as assigned by the Board in agreement of the Audit Committee.
8. Report audit activities to the Board of Directors on a regular basis.
9. Report audit activities to the Audit Committee of the Parent Company on a regular basis in compliance with Consolidated Supervision Principle of the Bank of Thailand.

Details of meeting attendance of TISCO Bank Public Company Limited's directors in 2020 are as follows:

Name	Time of Attendance			
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee
No. of total meetings (times) (percentages)	7 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)
1. Mr. Pliu Mangkornkanok	7 (100.00)	-	-	-
2. Mr. Suthas Suangmanamongkol	7 (100.00)	12 (100.00)	-	-
3. Assoc. Prof. Dr. Angkarat Priebjriwat	7 (100.00)	-	-	14 (100.00)
4. Prof. Dr. Teerana Bhongmakapat	7(100.00)	-	6 (100.00)	-
5. Mr. Sathit Aungmanee	7 (100.00)	-	-	14 (100.00)
6. Dr. Charatpong Chotigavanich	7 (100.00)	-	6 (100.00)	-
7. Dr. Kulpatra Sirodom	7 (100.00)	-	-	14 (100.00)
8. Mr. Chi-Hao Sun (Howard Sun)	5 ¹ (71.43)	10 ¹ (83.33)	-	-
9. Mr. Satoshi Yoshitake	7 (100.00)	12 (100)	-	-
10. Mr. Sakchai Peechapat	7 (100.00)	12 (100.00)	6 (100.00)	-

Remark ¹ Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Chi-Hao Sun is unable to attend the meetings in person one time. However, he was fully attended the Board of Directors and the Executive Board Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

8.2 Management

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

As of April 1, 2021, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

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

Authority and Responsibilities of Management Committee:

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

Authority and Responsibilities of the Group Chief Executive:

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

Authority and Responsibilities of Chief Operating Officer:

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

As of April 1, 2021, the Company has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Sakchai Peechapat	Group Chief Executive
2. Mr. Metha Pingsuthiwong	President and Chief Operating Officer
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President
4. Mr. Chalit Silpsrikul	Senior Executive Vice President
5. Mr. Chatri Chandrangam	Senior Executive Vice President, Chief Financial Officer, Acting Head of Corporate Communication
6. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President
10. Mr. Picha Ratanatam	First Executive Vice President
11. Ms. Pavinee Ongvasith	First Executive Vice President
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology
14. Ms. Rachada Pruksanubal	Executive Vice President
15. Mr. Theeranat Rujimethapass	Executive Vice President
Risk and Financial Control	
16. Mr. Kontee Sunthornpradit	Financial Controller / Acting Head of Planning & Budgeting
17. Ms. Chutintorn Vigasi	Head of Corporate Accounting
18. Mr. Nipon Wongchotiwat	Head of Enterprise Risk & Credit Control / Acting Head of Enterprise Risk Management
19. Ms. Surang Techarungnirun	Head of Credit Control
20. Mr. Puvarin Kullaphatkanon	Head of Risk and Business Analytics
21. Mr. Pichit Treethephasumphan	Head of Appraisal and Valuation
Governance Office	
22. Ms. Dulyarat Taveebhol	Head of Corporate Compliance
23. Ms. Maneerat Wattanajak	Head of Compliance - Banking Business
24. Ms. Yaninee Papnum	Head of Compliance - Asset Management Business
25. Ms. Sakornrat Manuwong	Head of Compliance – Securities Business
26. Ms. Nudtinee Suwanpanitch	Head of Legal Office
27. Mr. Prayuk Charoencharaskul	Head of Operational Risk Management
28. Ms. Jiraporn Sawsukpaiboon	Head of Credit Review
29. Mr. Ekarat Pongkitvanitchkul	Head of IT Risk Management
Internal Audit	
30. Ms. Chuenchit Trakarnratti	Head of Internal Audit

Name	Position
Information Technology	
31. Ms. Aree Archamongkol	Head of Corporate Services & Procurement
Economic Strategy Unit	
32. Mr. Komsorn Prakobphol	Head of Economic Strategy Unit
Treasury & Investment	
33. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Human Resources	
34. Mr. Watsakorn Thepthim	Head of Human Resources
35. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
36. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

8.2.1 Management of TISCO Bank

As of April 1, 2021, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Metha Pingsuthiwong	President
2. Mr. Pitada Vatcharasiritham	Senior Executive Vice President - Corporate Banking
3. Mr. Chalit Silpsrikul	Senior Executive Vice President - Retail Banking
4. Mr. Yuttpong Sriwongjanya	First Executive Vice President - Retail Banking - Sales & Marketing 2
5. Mr. Dejphinun Suthadsanasoung	First Executive Vice President - Retail Banking - Operations
6. Mr. Rungroj Jarasvijitkul	First Executive Vice President - Retail Banking - Sales & Marketing 1
7. Mr. Picha Ratanatam	First Executive Vice President - Wealth Management & Banking Services
8. Ms. Rachada Pruksanubal	Executive Vice President - Banking Services
Corporate Banking	
9. Mr. Manop Petdamrongsakul	Head of Corporate Finance
10. Ms. Sunee Tongsombutpanich	Head of Business and Risk Assessment
11. Mrs. Malatip Swintara	Co-Head of Business and Risk Assessment
12. Ms. Rapeeporn Ounchalanon	Head of Loan Administration
13. Mrs. Savika Jongpakpaisal	Head of Loan Documentation
Retail Banking – Sales & Marketing 1	
14. Mr. Wittaya Mettaviharee	Deputy Head of Retail Banking - Sales & Marketing 1 and Acting Head of Branch Channel 3
15. Mr. Noppadol Chumwong	Head of Hire Purchase
16. Ms. Parichat Suthatsanasuang	Head of Hire Purchase - Captive
17. Mr. Teerayuth Prasertrattanadacho	Head of Retail Marketing & Business Development
18. Mr. Suthep Trivannakij	Head of Branch Channel 1
19. Mr. Somboon Siriruck	Head of Branch Channel 2
Retail Banking – Sales & Marketing 2	
20. Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
Retail Banking - Operations	
21. Mr. Sukit Sakulwongyai	Assistant Head of Retail Banking Operation / Acting Head of Retail Collection
22. Ms. Penthip Laoboontharoen	Head of Retail & SME Credit
23. Mr. Worapoth Tirakaroon	Head of Retail Service & Support
24. Mr. Taworn Suphadechochai	Head of Retail Follow-up & Legal
25. Mr. Nattanan Ananpreeyavit	Head of Contact Center

Name	Position
26. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
27. Ms. Supissara Srikwanthong	Head of Retail Data Analytics
SME	
28. Mr. Phongsophon Wongthongkam	Deputy Head of SME
Mortgage Loan	
29. Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Branch Operation Support	
30. Mrs. Wantana Kitchpanich	Head of Branch Operations Support
Wealth Management	
31. Mr. Thanom Chairoondeekul	Deputy Head of Wealth Management
32. Ms. Pitchapa Wongsarasak	Head of Wealth Product
33. Mr. Satit Pawahan	Head of Private Banking
34. Ms. Saranya Weeramahawong	Head of Personal Banking 1
35. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
36. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
37. Mr. Nattakrit Laotaweesap	Head of Wealth Advisory
Banking Services	
38. Ms. Lapanant Tanwanna	Head of Custodian Service
39. Mrs. Suwandee Khaolaorr	Head of Cash Management
40. Mr. Kittichai Tonnajarn	Head of Counter Services
41. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
42. Ms. Mayura Sanguansaksri	Head of Logistic & Control
43. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
44. Mrs. Kusumar Pratomsrimek	Head of Bancassurance and Acting Head of Telemarketing Channel
Marketplace & Digital Deposits	
45. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits
Digital Banking & Business Innovation	
46. Mr. Tula Rodsalub	Head of Digital Banking & Business Innovation

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

Authority and Responsibilities of President:

Under consolidated supervision framework, the President shall ensure adoption and implementation of TISCO Corporate Governance Policy approved by the Board of Directors of the Parent company in the day-to-day management and decision making of the Bank. The President shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The President has authority and responsibilities as detailed below;

1. Develop business & operation plan for the Company as directed by TISCO Group's corporate strategies and business plan.
2. Ensure strategic alignment of the Bank to TISCO Group's direction and ensure effective implementations of the Bank's business plan.
3. Direct, control, and monitor day-to-day operations of the Bank according to TISCO Group's policies and guidelines.

4. Oversee the Bank's services, operations, risk management & control systems.
5. Monitor the Bank business activities and operating performance.
6. Control the Bank's financial budgets and manage the Bank's allocated resources.
7. Ensure that the Bank business conducts are in accordance with related laws and regulations.

8.3 Corporate Secretary

The Board of Directors have appointed Mr. Pairat Srivilairit as the Corporate Secretary, effective from September 1, 2013, to be responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management's report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board. (*Profiles and qualification of Corporate Secretary as shown in Attachment 1*)

8.4 Director and Management Remuneration

8.4.1 Director and Management Remuneration Policy

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

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Officer and management (called "management") shall be linked to short and long term performance of TISCO Group, in and that of each management member. The remuneration should be determined in accordance with Director and Management Remuneration Policy approved by the Nomination and Compensation Committee with an endorsement from the Board of Directors.

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

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2020, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors of each subsidiary company, under the authority delegated by its shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

8.4.2 Financial Remuneration

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2020, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, to be valid until amended.

The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors. Following the Board of Directors Meeting No. 5/2020 on June 29, 2020 approved directors' remuneration to be allocated as follows:

(Unit: Baht)

	Monthly Fee	Meeting Fee
Board of Directors		
Chairman	240,000	60,000
Member	50,000	50,000
Advisor	40,000	-
Executive Board		
Chairman	-	60,000
Member	-	50,000
Risk Oversight Committee		
Chairman	-	60,000
Member	-	50,000
Audit Committee		
Chairperson	-	60,000
Member	-	50,000
Nomination and Compensation Committee		
Chairperson	-	60,000
Member	-	50,000
Corporate Governance Committee		
Chairman	-	60,000
Member	-	50,000

Total of Board of Directors' remuneration of TISCO Financial Group Public Company for the Year 2020

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkornkanok	2,880,000	480,000	-	-	-	-	-	3,360,000
2. Mr. Hon Kit Shing (Alexander H. Shing)	600,000	300,000	-	-	-	200,000	-	1,100,000
3. Mr. Suthas Ruangmanamongkol	600,000	-	-	-	-	-	-	600,000
4. Assoc. Prof. Dr. Angkarat Priebjrivat	600,000	400,000	-	-	840,000	-	-	1,840,000
5. Prof. Dr. Pranee Tinakorn	600,000	400,000	-	-	-	300,000	100,000	1,400,000
6. Prof. Dr. Teerana Bhongmakapat	600,000	400,000	-	360,000	-	-	120,000	1,480,000
7. Mr. Sathit Anugmanee	600,000	400,000	-	-	700,000	250,000	-	1,950,000
8. Dr. Charatpong Chotigavanich	413,333.33	400,000	-	300,000	-	-	100,000	1,400,000
9. Dr. Kulpatra Sirodom	415,000	400,000	-	-	700,000	250,000	-	1,950,000
10. Mr. Chi-Hao Sun (Howard Sun)	600,000	300,000	500,000	-	-	-	-	1,400,000
11. Mr. Satoshi Yoshitake	415,000	-	-	-	-	-	-	600,000
12. Mr. Sakchai Peechapat	415,000	-	-	-	-	-	-	600,000
13. Ms. Krisna Theravuth ¹	480,000	-	-	-	-	-	-	480,000
Total	9,960,000	3,480,000	500,000	660,000	2,240,000	1,000,000	320,000	18,160,000

Remark: ¹ Ms. Krisna Theravuthi was appointed to be Advisor to TISCO's Board of Directors since April 26, 2013, with monthly remuneration of Baht 40,000.

In 2020, total remuneration for the Board of Directors was Baht 17,680,000, and Advisor to the Board of Directors was Baht 480,000, additionally, the Management was Baht 463,628,652, the total amount was Baht 481,788,652. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance.

Regarding the remuneration for subsidiary companies' directors in 2020, TISCO Bank, the core company of TISCO Group, paid remuneration to the Managements (the Management who are in the Parent Company and seconded to manage TISCO Bank), was Baht 189,215,060. This was paid in form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Bank performance.

8.4.3 Other Remuneration

The Company also provides other non-monetary benefits for directors as follow:

1. Executive vehicle for the Chairman of the Board
2. Group Life and Accident Insurance, or Health Insurance for director(s) who are Thai national and over 60 years old
3. Directors & Officers Liability Insurance (D&O) with liability limit of no more than USD 6,000,000

8.5 Human Resources

As of December 31, 2020, the total number of employees at TISCO Group was 4,997 (excluding senior management) of which 4,532 were permanent employees and 465 contract staff.

Major Function	As of	
	December 31, 2019	December 31, 2020
1. Retail Banking	3,198	3,237
2. Corporate Banking	50	46
3. Wealth & Asset Management	1,057	1,014
4. Corporate Affairs & CSR	710	700
Total	5,015	4,997

At the end of 2020, the number of employees of TISCO Group decreased by 18 staffs (0.36% YoY). Meanwhile, TISCO Group's total employee remuneration in the form of salaries, bonuses, and provident fund contributions was 4,550,215,597 Baht.

8.5.1 TISCO Group Registered Provident Fund

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

Employee's Contribution: Members shall remit contributions to the fund by granting the Employer permission to make deductions from their monthly salary. Members have two alternatives; to remit contributions at 5% or 10% or 15% of monthly salary, or at the same rate as the employer's contribution, which can be changed once a year.

Employer's Contribution: Employer is obligated to contribute to the fund on the same day as the employee, and the percentage of the employer's contribution depends on the employee's years of service as follows:

Years of Service	Employer's Contribution (% of salary)		
	Normal Rate	Special Rate	Total Rate
1st year	5	-	5
2nd year	6	-	6
3rd year	7	-	7
4th year	8	-	8
5th year	9	-	9
6th year	10	-	10
7th year	10	1	11
8th year	10	2	12
9th year	10	3	13
10th year	10	4	14
11th year and above	10	5	15

The fund committee comprised of the employee's elected representatives and the employer's appointed representatives. Terms for fund committee members are valid for two years, and any individual can be re-elected or

re-appointed. The fund committee is responsible for the supervision of fund management and investment policy. To broaden choices of employees for more suit their risk appetite and needs, TISCO Group Provident Fund employs a master fund with 4 investment policies (sub funds) which are Fixed Income, Mixed, Equity and Foreign investments. There are 17 predefined investment allocation choices for members to choose from. Presently, employees are able to switch their investment policies four times per year.

8.5.2 General Human Resources Policies

To strengthen the group's human resources management and operations in order to satisfy needs of stakeholders with high efficiency, TISCO Group had established one Human Resources Policy that applies to all TISCO entities. Human Resources system and tools are developed to ensure the most effective human resource management and development. Human Resources operations are centralized for work efficiency and consistency. Meanwhile, decentralized authority and empowerment is embedded to allow business lines to execute competitive HR practices for competitive advantage in their own business environment and industry. The policy is shown as follows:

1. Principles of Dealing with People at TISCO Group

Because professionalism and trust in financial services is crucial, TISCO Group has established a clear definition of its corporate values in order to foster their development in TISCO Officers. The key to accommodate the journey of the organization towards success is to foster our officers to be sensible and do like TISCO Officers who are smart, well-doing and happy according to TISCO Group's values as below:

1. Mastery
2. Creativity
3. Integrity
4. Reliability
5. Customer Priority
6. Guidance

2. Hiring

In order to serve various business aims while maintaining a uniform corporate culture across the group, the selection and hiring of TISCO Group employees is based on corporate values and the required competency, i.e. Organizational Core Competencies, Functional Competencies, and Leadership Competencies.

To ensure good corporate governance, close relatives and immediate family members of the Board of Directors, the Executive Board, and the Management Committee, will not be considered for any job vacancy in the TISCO Group. The same condition will apply to senior employees with managerial authority. Kin and immediate family members of other employees are to be considered on a case-by-case basis by senior management and the human resources function. Every candidate will be assessed to match their competency with the requirements of the position and potential for growth in the future.

TISCO Group has job promotion and job rotation policy in case of job vacancy in the TISCO Group. Even, the executive and human resource function also have duty to select the candidate from outside who have appropriate qualification in order to maintain the good quality of human resource. It is as important to hire the right person as it is to integrate newcomers into the organization so that their skills and behaviors can merge smoothly with TISCO Group culture.

3. Employment at TISCO Group

To uphold the highest standards of Good Corporate Governance, TISCO Group has established a "**Business Code of Conduct**" that demonstrates its determination to be a good corporate citizen in society. These principles are to be respected everywhere and under all circumstances. The management will implement the necessary processes to ensure that these principles are enforced at all levels. Employees who fail to abide with the Business Code of Conduct cannot be maintained in employment and will be asked to leave the organization. Employees should also inform vendors, suppliers and the providers of outsourced services of our Business Code of Conduct in the issues related to them and they should comply.

TISCO Group favors a policy of long-term employment. Separations are only for cases violating the Bank's principles, business misconduct, retirement, leaving voluntarily, and falling into the separation criteria as stated in the rules and regulations that TISCO Group has registered with the Department of Labor. Whenever an operation or business cannot be maintained under the parent company's umbrella (TISCO Financial Group Public Company Limited), reasonable steps will be undertaken to avoid overall loss of employment and by fully respecting all related labor laws. Reasonable efforts will be undertaken to reduce, as much as possible, the suffering of our employees.

4. Assessment and Development

4.1 Assessment

Employees are assessed in all steps of employee movements from selection of new candidates to promotion, career development and succession planning. Assessments and evaluations are carried out in many aspects, including knowledge, skills, competencies, performance, and leadership, as well as alignment with corporate

values. This ensures that quality of people be fit with TISCO Group's strategy, culture, technology and environment, which in turn ensure maximum human resources value. The Human Resources function will provide assessment tools at the corporate level, whereas business units will have the freedom to customize assessment tools under corporate HR consultation to suit each business environment while maintaining corporate standards of people quality.

4.2 Development

To sustain organizational growth, TISCO has prioritized human resources development as a primary policy. Learning culture is established by providing development solutions that satisfy both organizational requirements and individual development. A policy that encourages continuous self-improvement through learning leads to sustainable growth and, finally, a High Performance Organization.

Employee development plans are specific to each job positions in TISCO and covers 4 types of competencies, namely, organization core, business, technical, and leaderships. In addition, the skills required to cope with changing technology and business environment are also considered.

The Human Resources function is responsible for providing knowledge and skills development at the corporate level for corporate competitive advantage. At the Business Unit level, the Human Resources function provides consultation and advice on development methodology and techniques to maximize learning and development of human capital to add value to the business. Human Resources is also responsible for the recording of organizational knowledge and the skills inventory of all business units in TISCO Group. The Human Resources Development activities in TISCO are handled by a dedicated team – "TISCO Learning Center".

5. **Career Management**

To motivate employees and build up the organization's strength, every employee has opportunities for career progression, both vertically and horizontally. TISCO Group emphasizes **"promotion from within"** for available job positions. Should there be no best fit within the organization, hiring from outside then comes into consideration. Promotions in TISCO are in accordance with employee competencies level and degree of matched competencies.

Career development and progression are open for upwards, downwards and lateral movements both within business units and functions and cross-functions across TISCO Group. Open communication in career development and progression is mandatory between line managers and employees to ensure transparency and clear expectations.

6. **Performance Management**

The objective of Performance Management is to build a workforce committed to the delivery of quality service while building a trusting relationship between line managers and job performers. Performance Management will be a key responsibility of every employee who assumes a supervisory role. Regular counseling and guidance are the best tools for improving performance and helping people develop their skills. Efficient performance management emphasizing the achievement of agreed objectives is a prime responsibility for each manager. Candidates for managerial positions should clearly have demonstrated a willingness and ability to apply the performance management system and process. The components of the performance management system and process are outlined in the guidelines and manuals that support Human Resource policy and will be developed, updated and maintained by the Human Resources function.

TISCO Group sets up performance management system to ensure that individual employees perform according to business plans. Line managers review goals and key performance indicators for each position under his/her scope of responsibility to ensure alignment to an annual plan. Goals and key performance indicators then are communicated to individual employees at the beginning of the year. Throughout the year, employee performance is monitored with coaching and feedbacks to ensure employees are performing toward the defined goals.

7. **Employee Compensation and Benefits**

TISCO Group recognizes that its employees are its most important resource and thus places great emphasis on their health, safety and well-being TISCO Group arranges for all employees to have annual physical checkups, and has set up programs to promote continuous exercise for employees to promote good health and immunity to illness. The nursing facilities are also available at main sites to provide first aid and healthcare and provide advice on health and well beings to the employees.

TISCO Group favors competitive, stimulating and fair remuneration structures offering an overall competitive and attractive compensation package. Various forms of compensation are designed in combination to best match the nature of various jobs, as well as supply and demand. Remuneration includes salary, fixed and variable incentives/bonuses, social welfare, provident fund, health care and other benefits.

TISCO Group has adopted market benchmarking compensation system, incorporated with the job levels and job family, so that it is flexible and able to adapt to the evolution of market conditions. Its structure allows sufficient flexibility to effectively reward high professional insight and performance as well as individual potential in both generalist and specialist employees.

TISCO Group will establish a compensation practice based on relevant external compensation levels as well as the requirement of internal fairness. It is the responsibility of each manager to propose, within the framework of TISCO Group policy, the remuneration of his/her employees, taking into account the local market, competency in financial industry, individual performance, skills and potential for development.

It is also the responsibility of each manager, if needed, with the support of the Human Resources function, to communicate properly, clearly and with sufficient transparency, the individual remuneration of each staff member regarding his/her specific responsibilities. The quality of communication in these matters is an essential part of the dialogue that each manager will have with his/her employees. It should be realized that, however important remuneration is for each employee, it is not remuneration alone that will stimulate the motivation of staff.

TISCO Group rewards employees in the following aspects:

7.1 Pay for roles and responsibilities

All jobs in TISCO Group are clearly identified by key roles and responsibilities and slotted into the broad banding system from job evaluation. Certain pay levels are determined for each job by market surveys and benchmarking. The jobholders will be rewarded within the pay range of their particular job and band.

Individual remuneration is considered from skills, knowledge, behavior, attitude and potential to contribute to the business. Development of competency level will be valued and rewarded. Line managers have a direct responsibility to assess team members for a fair reward.

7.2 Pay for performance

Performance objectives and targets for each employee are preset and agreed at the beginning of the financial year. Employees who meet their target are entitled to earn rewards in the form of monetary bonuses or incentives of any form that TISCO Group will announce in the future. In term of target setting, the individual performance measures must be aligned with business target e.g. business volume, operating expenses, as well as risks related to business activities, and etc.

Different types of businesses in TISCO Group can have different combinations and methods of pay, with senior management agreement and CEO and President approval, in order to drive business success.

8. **Human Resources Administration**

To be fully in compliance with labor laws and regulations, all HR practices related to labor laws are centralized at the Human Resources function so as to be handled properly. Any policies and/or HR practices that contradict national labor laws will be automatically superseded and the Bank's rules will be revised in accordance with new labor laws.

Human Resources function will record employee data for overall and high-level workforce management. Transfers or changes in employee status at all business units across TISCO Group are to be reported and processed according to the corporate HR guidelines and procedures.

Occupational Safety and Health

TISCO Group has established policies and guidelines regarding occupational safety, health and working environment for TISCO employees and external service providers operating in the office area of the TISCO Group including those who visiting TISCO to have safety and good health in TISCO working environment which conforms to the Occupational Safety, Health and Environment Act, BE 2554 and according to the Ministerial Regulation on the Standard for Administration and Management of Occupational Safety, Health and Environment, BE 2549.

Safety, health and working environment are considered the responsibility of and involving with every employee. Therefore, it is critical that all employees must understand and cooperate well according to the prescribed guidelines and procedures in order to mitigate risks and hazards either to themselves or others. TISCO set up learning plans that every new employee must attend and pass the E-learning class for the topic of "Safety in the Office" through TISCO Learning Management System in order to complete or pass the requirement for work probation period. In addition, TISCO provides information and knowledge about accident prevention through various channels such as HR News, Health Tips, Health Alert and Knowledge Management (KM) as well as through related projects such as workplace inspection with ergonomic tools, risk assessment and work environment etc.

From the statistics report on injury, occupational diseases and death due to the work in 2020, there were no employees who died from work. However, there were 88 employees that injured or sick due to work related illnesses, which can be divided into various cases as follows:

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
Injuries					
• Minor Wound	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
Occupational Diseases					
• Noise-induced hearing loss	Head Office	10	3	-	-
	Bangkok Metropolitan Region	9	8	-	-
	Provincial	-	-	-	-
• Musculoskeletal strain	Head Office	3	11	-	-
	Bangkok Metropolitan Region	1	1	-	2

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
• Vision	Provincial	-	1	-	-
	Head Office	30	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
• Pulmonary function	Provincial	-	-	-	-
	Head Office	11	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
Fatalities	Provincial	-	-	-	-
	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
• Work-Related Fatalities	Provincial	-	-	-	-
	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-

Details of Occupational Safety and Health

Data	Unit	January - December 2020					
		Male	Female	Head Office	Bangkok Metropolitan Region	Provincial	TISCO Group
Injury Rate: IR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Injury Rate: LTIR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Injury Rate: LDIR	Number of lost day per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate: ODR	Number of employee per 200,000 working hours	5.01	2.82	3.74	6.57	7.41	1.80
Absentee Rate: AR	Percent	1.00	1.07	1.25	0.69	0.71	1.04
Number of sick leave	Day	4,695	9,029	10,485	1,073	2,166	13,724
Total of sick leave days unrelated to work	Day x 7.30 working hours	34,273.50	65,911.70	76,540.50	7,825.60	16,439.60	100,185.20

Remark: 1. The calculation is based on the International Labor Organization standard: ILO-OSH 2001

2. Lost Time Injury - refers to an injury that stops work from 1 day or more (start counting holidays from the date of the accident)

3. Lost Day Injury Rate, once used, Lost Day Rate:

4. Working hours - refers to working hours information from the Employee Self Service system of the full time employees during January and December 2020. Working hours include overtime and actual working hours of employees resigned during the year

TISCO concerns for dangers that may arise from violence and abuse by customers or adversary as well as the situation of bank robberies, protests and other terrorism. Therefore, security measures such as space access control by defining the classes of security and the types of access were implemented with electronic Access Control system, security guards, intrusion alarm system and CCTV equipment. TISCO also developed contingency plan in case of emergency to guide TISCO BCM Team, employees and visitors within the TISCO office area to protect the lives of employees and reduce any potential losses.

In 2020, TISCO Group continued the normal work processes but due to the spread of COVID-19 in many areas, its impact resulting to the workflow process, human resource as well as company policy. Nonetheless, TISCO Group concerns on health and welfare of employees and therefore applies the Business Contingency Plan (BCP) plan into the working plan. Central's employees has split sites of workplace or Work From Home in order to reduce risk, follow social distancing policy from the public health practices, including shifting of work hours to reduce congestion and increase transportation convenience. Moreover, TISCO Group also monitors employees who working in high-risk areas.

9. Succession Planning

To prepare the organization for the future, all key positions are required to develop successors and put development plans in place. Succession planning is overseen by the HR Committee and Nomination and Compensation Committee with support from the Human Resources function.

In addition, Nomination and Compensation Committee of the Company responsible to prepare the succession plan of the senior executives of all companies in TISCO Group for tranquil and continuous business operation. The succession plan will periodically review. The Nomination and Compensation Committee of the Company will select and nominate names of qualified candidates to the Board of Director for the position of senior executives in the Company and its subsidiaries which contribute more than 25% of total revenue of TISCO Group.

8.5.3 Organizational Development & the Learning process

As a part of an ongoing plan towards becoming a learning organization, TISCO Group has continued to invest substantially in a program to develop all levels of personnel so that they can fully contribute to the organization and its stakeholders. The TISCO Learning Center has been formed as a new unit dedicating to deliver training programs and roadmaps to enhance the organization competencies, including performance and competency development, productivity improvement, leadership and developmental effectiveness. TISCO Group continued to implement various development programs which totaled 9 programs as follows;

1. Development programs to support business & marketing plans

There are 9 development programs for business managers and staff as follows:

1.1 Hire Purchase Marketing Development Program

The hire purchase marketing team plays an important role in providing retail finance solutions to TISCO clients. This newly designed program aims at the roles and comprehensive knowledge on retail finance products as well as customer service skills. This is to secure positioning of the all-in-one solution provider for retail finance clients and ensure a continuous growth in retail finance business.

1.2 Branch Manager Program

Branch managers are executives of bank branches. Their roles and responsibilities are managing and monitoring branches to achieve business targets. TISGO group has designed this program to update Branch Managers on business knowledge, current economy, regulations and work procedures. The program also aims to improve leadership and management skill which reflects our leading corporate's professionalization and meets business goals.

1.3 Somwang Onboarding Program

The hire purchase marketing team plays an important role in providing retail finance solutions to TISCO clients. This newly designed program aims at the roles and comprehensive knowledge on retail finance products as well as customer service skills. This is to secure positioning of the all-in-one solution provider for retail finance clients and ensure a continuous growth in retail finance business.

1.4 Somwang Trainer Program

According to expand Somwang business in suburban areas, additional trainers and mentors are to be built to support new branches countrywide. The trainers will be trained and equipped with skills and knowledge to ensure maximum effectiveness of teaching to build new high quality staffs for the branch network.

1.5 All Finance Program

All Finance representatives are personal finance product advisors who offer products to clients. They are trained on product knowledge, work process, market conducts, and marketing skills.

1.6 Retail Credit Program

Retail credit team analyzes clients loan requests and credit decisions. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality which is key to retail finance business.

1.7 Customer Service Program

Customer service team is a touch point at our branches. The need to possess knowledge and skills on professional services to create pleasant customer experience. They are also updated with necessary work process and related regulations.

1.8 SME Credit Program

SME credit team analyzes loan proposals for SME projects. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality with proper risk justification.

1.9 The Teller Refresher Program

Teller refresher program has been designed and continuously updated to equip new TISCO Bank tellers with all the necessary bank teller skills plus the awareness of risk management as well as customer services. Regular refresh courses are also administered for all existing tellers to ensure that desired level of expertise can be maintained. All tellers are trained on the newly implemented core deposit system; ensure smooth operation which will allow tellers to provide better serve the clients.

2. TISCO Leadership Development Program

TISCO continuously develop its middle management team to support a rapid growth in business which leads to dynamic changes in organization size, corporate vision, missions, strategies, and branding. To cope with these changes effectively, Managers and Leaders play important roles in the organization. Being a role model and driving force, they have to understand and aware of rapid external changes as well as ability to motivate their teams and be adaptive to the changes around them. To lead into a single direction and synergies, TISCO Leadership Development Program was launched for all managers and leaders. The program provides skills and knowledge on team management, leadership, and strategic management. This ensures effective and flexible management in TISCO as a modern organization.

3. Executive Trainee Development Program

The objective of this program is to improve multi-functional skills and capabilities of executive trainees (or selected-high-potential employees) to meet business strategies and to develop each of them for being an executive in the future. These executive trainees have comprehensive knowledge of TISCO business. In addition, communication and relationship skill have been built through activities with each colleague from different business

unit. Not only those necessary knowledge and skill, but also philosophy which leads them to achieve happy and high quality work, including being open and adaptive to changes in society.

4. New Manager Orientation Program

The objective of this program is to equip newly promoted manager with management and supervisory skills to lead and manage their teams effectively. The new managers are provided with basic leadership strategy and tools so that they can apply and implement, including strategic thinking for planning and making business decisions.

5. Competencies Development Program

TISCO Group consistently values employee development and promotes training and development on specific job-related competencies, including organization core, business and technical competencies. The development programs are offered as per organizational learning roadmap and individual development plan and promotes employees to be developed continuously to ensure possession of necessary skills and knowledge, both from internal training and external training programs.

6. TISCO Values cultivation program

TISCO values are the essence qualities we cultivate in our people through induction, training, into TISCO culture and attitude. Our values; Mastery, Integrity, Reliability, Customer priority, creativity and Guidance are adhere with all employees to practice values behaviors to everyday life. TISCO Values align with our vision and mission. The cultivation of values commences from top management team who structure value behaviors to managers who, then, shape and encourage employees to practice accordingly. This project is called "Value in practice"; an aligned mutual understanding of values across all level which employees can practice accordingly through communication, training, induction program and employee activities.

Training and induction program; create value awareness and understanding of the desire value behavior in the onboarding program. Design training courses that aligned with Values such as "Mastery and creativity" is reflected regularly on Product knowledge and process improvement training program. "Guidance" is encouraged by developing in-house trainers to teach financial literacy camp. "Integrity" is emphasized in "market conduct" intensive training, ensuring proper information disclosure to customers.

Employee Activities and internal communication is also emphasis in maintains value behaviors. "Creativity" is enhanced in recognition, innovation contest, and creates opportunities for employee to freely participate in developing solutions.

TISCO employee survey of 2020 indicates that TISCO employees are able to reflect six values of TISCO outstandingly at average score of 8.47 out of 10, increased from 8.31 in 2019. "Integrity, Customer Priority, Guidance, and Mastery" are top values that employees valued and reflect distinctively which aligned with TISCO vision and mission. Compared to the survey scores of external organizations on the same topic, found that employees had knowledge, understanding and core value perception at average score of 84%.

In addition to the annual job satisfaction survey, TISCO invite external independent consultant to conduct employee engagement survey regularly. In 2019, Hi-Way Company Limited, a subsidiary of TISCO Financial Group, was awarded "Thailand Best Employer 2019" by Kincentric Thailand and SASIN School of Management of Chulalongkorn University. This is the 3rd time Hi-Way is named "Thailand Best Employer" and the 4th time of TISCO as TISCO Bank was also named "Thailand Best Employer 2013". The engagement score has been high at 92% overall, 81% Agility, 84% Engaging leadership and 84% talent focus.

7. Learning Management System and e-Learning

TISCO Group is aware that employees are entitle to competencies development and therefore can assess to the organization knowledge. The learning management system has been implemented to allow employee to self-study and track their own development progress. It also systematically accumulates organization knowledge which serves as pool resources that enable future human resources development in the future.

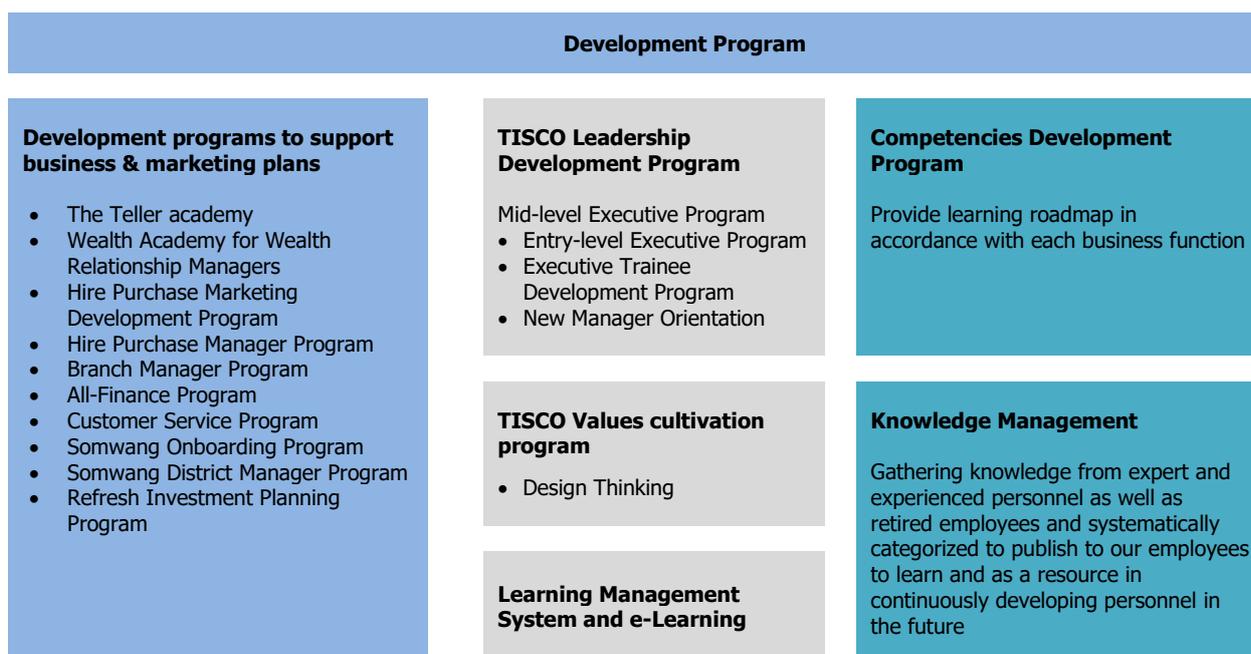
8. Knowledge Management

TISCO Group values expertise and successful factors which have been accumulated and inherited in our corporate traditionally. To gather and apply this knowledge efficiently, this KNOWLEDGE MANAGEMENT is established to completely collect corporate's knowledge. This process begins from gathering knowledge from expert and experienced personnel as well as retired employees and systematically categorized to publish to our employees to learn and as a resource in continuously developing personnel in the future. In addition, there are other staff development programs of 392 programs.

9. OASIS Growth Mindset Campaign

TISCO Group adapts to continuous changes in economic and technology and initiates a culture change program to build grown mindset for employees at all levels. The objective is to build employees who are open for changes and being adaptive, as well as able to accumulate and share knowledge within the organization. The OASIS project (Open – Adaptive – Sharing) enables employees to keep up and adapt to changing environment. It is the foundation infrastructure for innovation by having employees who learn, develop, and deliver continuously.

In addition, TISCO has more 226 training programs.



Training Program	2018	2019	2020
Total training hours (Hour/Staff/Year)	33.34	26.37	24.55
Breakdown by Sex (Hour/Staff/Year)			
Male	31.59	24.95	23.30
Female	34.32	27.16	25.24
Breakdown by Position (Hour/Staff/Year)			
Executive ⁽¹⁾	50.98	41.76	27.51
Non-executive ⁽²⁾	32.89	26.00	24.48
Breakdown by Business Pillar (Hour/Staff/Year)			
Retail Banking	28.72	24.20	25.79
Corporate Banking	17.20	16.67	14.63
Wealth and Asset Management	47.82	31.97	26.46
Corporate Affairs & CSR	32.50	28.47	16.87

Remark: (1) Executive means function-head rank to managerial rank.

(2) Non-Executive means employees under function-head rank.

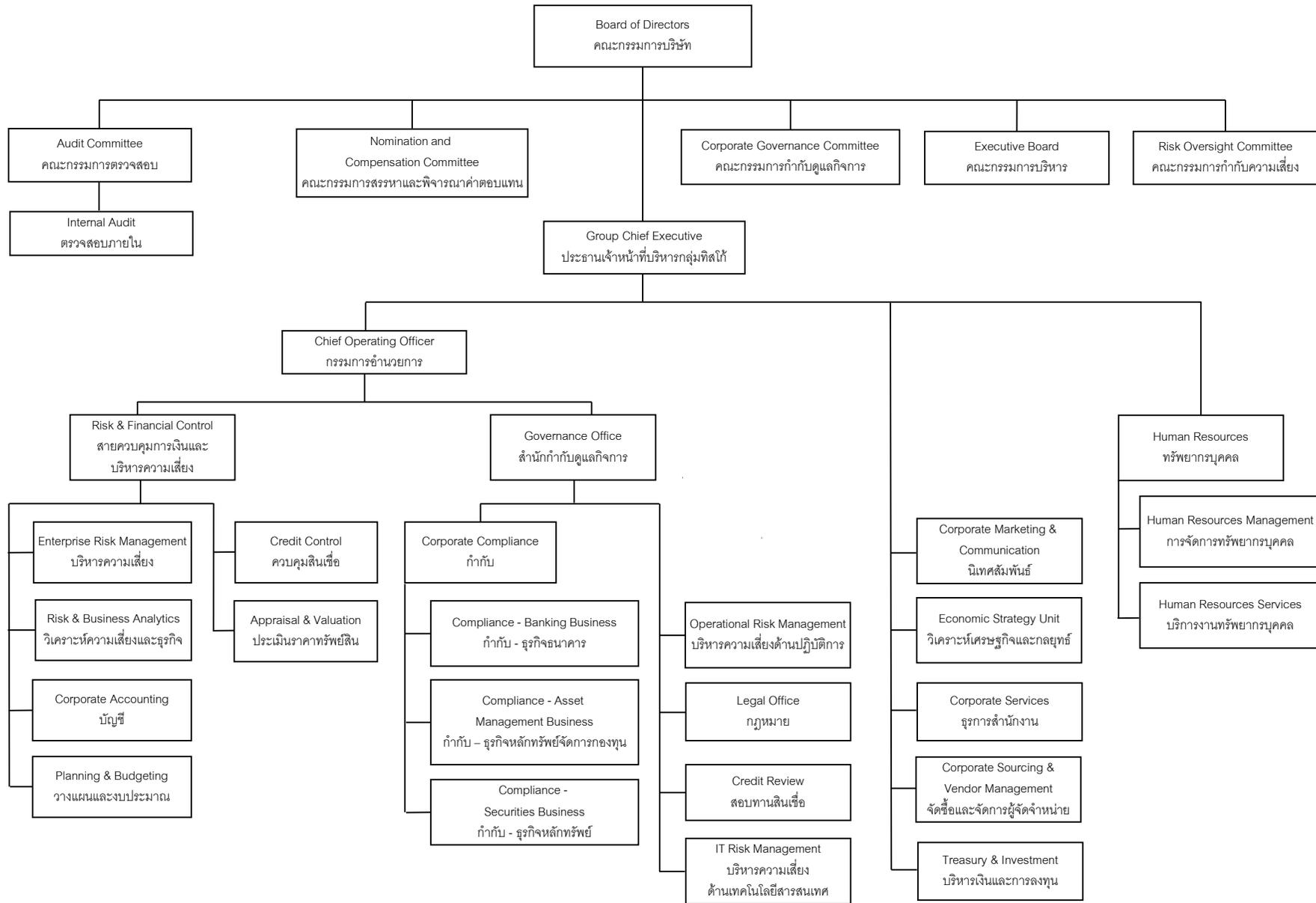
8. Management

8.1 Management Structure and Board of Directors

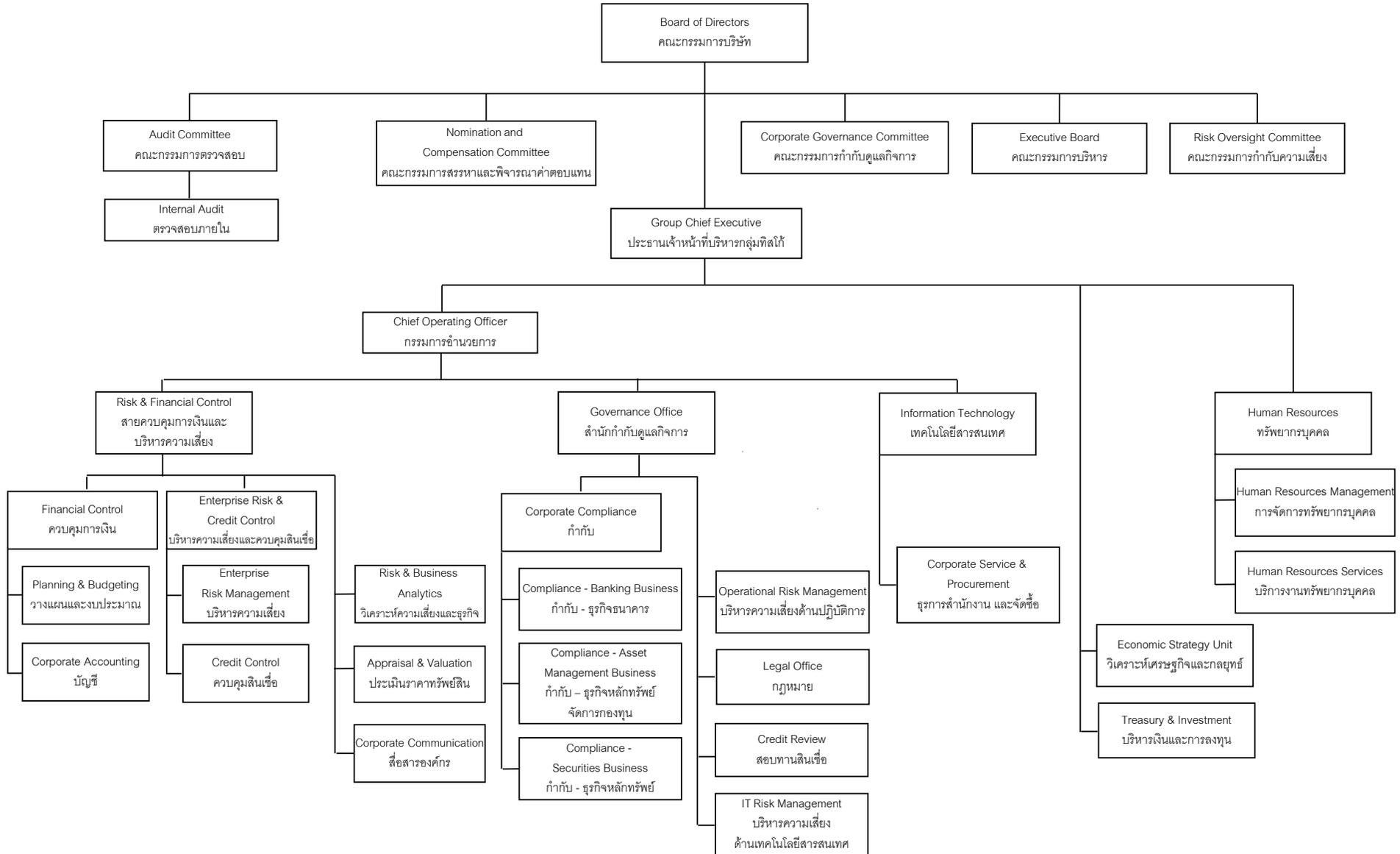
TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees, and monitors business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management,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

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

Management Structure of TISCO Financial Group Public Company Limited as of December 31, 2020



Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2021



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

Board of Directors Structure

The Board of Directors consisted of Directors from diversified backgrounds and experience, with sufficient understanding of banking and finance, accounting, economics, strategy, law and information technology deemed appropriate. On December 31, 2020, the Board of Directors consisted of 12 directors, including 3 females (25% of the total number of directors) and 9 males (75% of the total number of directors), the number of directors is appropriate for the Company's business operations. The election of Board members followed the resolution of the shareholders meetings, as well as the laws and regulations and the Company's Articles of Association. The composition is in conformity with the notifications of the Bank of Thailand, the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission, as well as the diversity of vocation, skill, age, gender, experience, and any other appropriate qualifications. As of December 31, 2020, the Board of Directors comprised the following directors:

- The six Independent Directors¹, 50% of the total number of directors, are Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjriwat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom
- The two Non-executive Directors, 16.67% of the total number of directors, are Mr. Hon Kit Shing (Alexander H. Shing) and Prof. Dr. Teerana Bhongmakapat
- The four Executive Directors², 33.33% of the total number of directors, are Mr. Suthas Ruangmanamongkol, Mr. Chi-Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechat

¹ "Independent Director" has the meaning specified in the Bank of Thailand's Notification No. SorNorSor. 13/2552 Re: Corporate governance of financial institutions, and the Capital Market Supervisory Board's Notification No. TorJor. 28/2551, Re: Application and approval for offering newly issued shares, and/or their amendments (if any). Moreover, the number of shares held by an independent director and his/her related parties combined shall not exceed 0.5% of the total voting shares of the Bank, or the Bank's parent company, subsidiaries, or associate companies, or major shareholders, or the persons having the authority to control the Bank. This shareholding restriction of not more than 0.5% is the Bank's standard, which is a higher standard than that set by the Capital Market Supervisory Board, which prohibits an independent director from holding more than 1% of the total voting shares of the company of which he/she is a director.

² "Executive Director" means any director who holds an executive position, or any director who is in charge of any actions deemed to be taken by executive, and shall include any authorized director except where it can be demonstrated that such authorized director signs on transactions which have been approved by the board of directors and jointly with other directors, following the Capital Market Supervisory Board's Notification No. TorJor. 28/2551 Re: Application and approval for offering newly issued shares, and/or their amendments (if any).

8.1.1 Board of Directors

As of December 31, 2020, the Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. The Board of Directors comprised the following 12 directors:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Vice Chairman, Non-Executive Director and Member of the Nomination and Compensation Committee
3. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
4. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
5. Prof. Dr. Pranee Tinakorn	Independent Director, Chairperson of the Nomination and Compensation Committee and Member of the Corporate Governance Committee
6. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director, Chairman of the Risk Oversight Committee and Chairman of the Corporate Governance Committee
7. Mr. Sathit Aungmanee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
8. Dr. Charatpong Chotigavanich	Independent Director, Member of the Risk Oversight Committee and Member of the Corporate Governance Committee
9. Dr. Kulpatra Sirodom	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
10. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
11. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
12. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and Chief Operating Officer

Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

Authority and Responsibilities of Chairman of the Board:

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.
3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
5. Ensure good working relationship between the executive and non-executive directors and ensure adequate time for discussion of all agenda, particularly strategic issues.
6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
7. Maintain access to senior management for vital information related to TISCO business as is necessary and useful, and provide access, advice and support to the Group CEO in the development of strategy.
8. Promote effective relationships and communications between non-executive directors and senior management.

9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.
10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

Authority and Responsibilities of Vice Chairman of the Board:

1. Take the role as the acting Chairman of the Board during the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.
2. Assist the Chairman of the Board with agenda related to TISCO Board of Directors, in particular any agenda pertaining to the "Executive Committees or Bodies" created by the Board except any independent committees or bodies, such as Nomination and Compensation Committee, Audit Committee and Corporate Governance Committee.
3. Act as the Chairperson of Executive Board and any Executive Committees and Bodies (see definition above) when:
 - a. the Chairperson is absent or unable to perform the duties for a period of time until such replacement Chairperson is appointed by Board of Directors, or
 - b. recommended by the Nomination and Compensation Committee and approved by Board of Directors.

Authority and Responsibilities of the Board of Directors:

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistleblowing policy and internal control system.
7. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
8. Approval of the appointment, relocation and dismissal of Head of Risk Management Function and Head of Internal Audit Function.
9. Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.
10. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third party evaluation (if necessary).
11. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
12. Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
13. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
14. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.

The following activities require approval of the Board of Directors:

1. Vision, Mission, Brand and Corporate Value
2. TISCO's business model, corporate strategies, business plan, and financial budgets
3. Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO

4. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
5. Appointment of Board of Directors and Subcommittees as well as delegation of authority
6. Nomination and appointment names of qualified candidates for Group Chief Executive
7. Performance Evaluation of Group Chief Executive

For the business operations which require approval from shareholders meeting: requirement by laws such as increase or decrease the Company's capital, issuance of debentures, sales or transfers of whole or important parts of the Company business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Company's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Company's regulators.

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

Details of the Board of Directors of TISCO Bank Public Company Limited, the core company of TISCO Group, are shown in 8.1.7 and Attachment 1-2.

8.1.2 Executive Board

As of December 31, 2020, the Executive Board which was appointed by the Board of Directors comprised the following four Executive Directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechapat	Member of the Executive Board

Authority and responsibilities of Executive Board:

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

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

8.1.3 Risk Oversight Committee

As of December 31, 2020, the Risk Oversight Committee was appointed by the Board of Directors. The Risk Oversight Committee comprised the following Non-executive Director, Independent Director, Executive Director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Chatri Chandrangam	Member of the Risk Oversight Committee

Authority and responsibilities of Risk Oversight Committee:

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

8.1.4 Audit Committee

As of December 31, 2020, the Audit Committee which was appointed by the Board of Directors comprised the following three Independent Directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: All 3 members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.

Authority and responsibilities of Audit Committee:

1. Review TISCO Group's financial report to ensure accuracy and adequacy.
2. Review and evaluate that TISCO Group has suitable and efficient internal control system and internal audit.
3. Review TISCO Group's operations to ensure compliance with related laws and regulations.
4. Consider, select and nominate the external auditor of TISCO Group, recommend remuneration of such auditor, removal of such auditor, as well as meet with the external auditor at least once a year without participation of management.
5. Consider connected transaction or the transaction that may cause conflict of interest to ensure the appropriateness and best interest of TISCO Group.
6. Review accuracy and completeness of the disclosure of TISCO Group, especially the connected transaction or the transaction that may cause conflict of interest.
7. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
8. Consider the independence of TISCO Group's Internal Audit function, and approve Internal Audit Policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
9. Appoint, transfer, or dismiss Head of Internal Audit and review an effectiveness and efficiency of Head of Internal Audit's performance

10. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Company's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.
11. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.
12. Review and assess compliance with policies on conflict of interest and significant issues which may incur between TISCO Bank and investors in the funds managed by TISCO Asset Management and report to the Board of Directors.
13. Joint Meeting – The Committee shall attend an annual joint meeting with the Risk Oversight Committee to acknowledge and exchange views on the sufficiency and effectiveness of TISCO risk management policies and strategies.

8.1.5 Nomination and Compensation Committee

As of December 31, 2020, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons:

Name	Position
1. Prof. Dr. Pranee Tinakorn	Chairperson of the Nomination and Compensation Committee
2. Mr. Hon Kit Shing (Alexander H. Shing)	Member of the Nomination and Compensation Committee
3. Mr. Sathit Aungmanee	Member of the Nomination and Compensation Committee
4. Dr. Kulpatra Sirodom	Member of the Nomination and Compensation Committee

Authority and Responsibilities of Nomination and Compensation Committee:

Nomination

1. Formulate policy, criteria, and method for nominating candidates for directors and Top Management of the Company and its subsidiary companies in TISCO Group to the Board for consideration and submit the policy to regulatory parties upon request.
2. Select and nominate names of qualified candidates to the Board of Directors of the Company and its subsidiary companies, which are directly supervised by financial and capital market regulators (TISCO Bank, TISCO Securities and TISCO Asset Management), for the following positions;
 - Directors
 - Members of committees whose functions, responsibilities and authorities are directly given by the Board of Directors
 - Top Management
 - Advisor(s) to the Board of Directors and/or committees whose functions, responsibilities and authorities are directly given by the Board of Directors
3. Ensure that size and composition of the Board of Directors of the companies in TISCO Group is appropriate for the organization and the business environment. The Board should comprise members who have diversified expertise and experience.
4. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee, the Corporate Governance Committee, and the Risk Oversight Committee and propose result to the Board of Directors for approval.
5. Ensure that the meeting(s) between the Board and members of Management Committee in absence of the Group CEO is arranged at least once a year prior to his/her annual performance assessment.
6. Ensure that succession plan for Group CEO and members of Management Committee of the companies in TISCO Group is properly developed to allow smooth and continuity of business operations, and that such plan is reviewed periodically.
7. Ensure that the professional development program for Directors and Management are assorted properly.
8. Disclose the nomination policy and process in the Annual Report.

Compensation

9. Review and establish clear and transparent remuneration and benefit policy and criteria for the directors, committee members, Advisor(s) and TISCO Group's employees as proposed by the management.
10. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.
11. Devise performance assessment criteria for board members and TISCO Group's employees for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
12. Review and approve promotion, remuneration, and benefit of Group CEO.
13. Review and consider the Group CEO's proposal for appointment, performance evaluation, promotion, remuneration, and benefit of each member of Management Committee and one further level down.
14. Review and consider the management's proposals for the total amount of annual performance-oriented, short-term and long-term incentives as well as merit increase for TISCO Group's employee.
15. Disclose the remuneration policy, actual payment in various forms for directors as well as prepare and disclose the Committee's report that at least covers the objectives, activities and opinion of the Committee in the Annual Report.
16. Report activities to the Board of Directors on a regular basis.
17. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

8.1.6 Corporate Governance Committee

As of December 31, 2020, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Corporate Governance Committee
2. Prof. Dr. Pranee Tinakorn	Member of the Corporate Governance Committee
3. Dr. Charatpong Chotigavanich	Member of the Corporate Governance Committee

Authority and Responsibilities of Corporate Governance Committee:

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

Board of Directors Meeting of the Company

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

The Board of Directors Meeting No. 6/2020 on October 29, 2020 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2021 in advance which not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2021	Wednesday February 24	Thursday January 28	Wednesday January 20	Friday January 8	Tuesday January 12	Thursday February 18
2/2021	Friday April 23	Tuesday February 23	Thursday February 11	Tuesday February 9	Tuesday February 23	Thursday July 8
3/2021	Monday June 21	Thursday March 25	Wednesday March 24	Friday March 5	Friday April 23	Thursday November 11
4/2021	Tuesday June 22	Friday April 23	Wednesday May 19	Friday April 2	Friday June 18	-
5/2021	Tuesday August 24	Thursday May 27	Wednesday July 21	Tuesday May 11	Monday August 23	-
6/2021	Monday October 25	Friday June 18	Wednesday September 22	Friday June 4	Thursday October 21	-
7/2021	Tuesday October 26	Thursday July 22	Wednesday November 17	Friday July 9	Monday December 13	-
8/2021	Monday December 20	Monday August 23	-	Thursday August 10	-	-
9/2021	-	Thursday September 23	-	Friday September 10	-	-
10/2021	-	Wednesday October 20	-	Friday October 8	-	-
11/2021	-	Thursday November 25	-	Wednesday November 10	-	-
12/2021	-	Wednesday December 15	-	Friday December 3	-	-

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

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

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance.

Details of Board of Directors meeting and subcommittee meeting attendance of TISCO Financial Group Public Company Limited's directors in 2020 are as follows:

Name	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
No. of total meetings (times) (percentages)	8 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)	5 (100.00)	2 (100.00)
1. Mr. Pliu Mangkornkanok	8 (100.00)	-	-	-	-	-
2. Mr. Hon Kit Shing (Alexander H. Shing)	6 ¹ (75.00)	-	-	-	4 ¹ (80.00)	-
3. Mr. Suthas Ruangmanamongkol	8 (100.00)	12 (100.00)	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjivat	8 (100.00)	-	-	14 (100.00)	-	-
5. Prof. Dr. Pranee Tinakorn	8 (100.00)	-	-	-	5 (100.00)	2 (100.00)
6. Prof. Dr. Teerana Bhongmakapat	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
7. Mr. Sathit Aungmanee	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
8. Dr. Charatpong Chotigavanich	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
9. Dr. Kulpatra Sirodom	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
10. Mr. Chi-Hao Sun (Howard Sun)	6 ¹ (75.00)	10 ¹ (83.33)	-	-	-	-
11. Mr. Satoshi Yoshitake	8 (100.00)	12 (100)	-	-	-	-
12. Mr. Sakchai Peechapat	8 (100.00)	12 (100.00)	6 (100.00)	-	-	-

Remark ¹ Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Hon Kit Shing and Mr. Chi-Hao Sun are unable to attend the meetings in person one time. However, both of directors has fully attended the Board of Directors meeting and/or the Executive Board Committee meeting and/or the Nomination and Compensation Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

8.1.7 Details of Board/Committees of TISCO Bank Public Company Limited, the core company of TISCO Group

8.1.7.1 TISCO Bank's Board of Directors

As of December 31, 2020, TISCO Bank's Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. TISCO Bank's Board of Directors consisted of 10 directors as follows:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
3. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
4. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director and Chairman of the Risk Oversight Committee
5. Mr. Sathit Aungmanee	Independent Director and Member of the Audit Committee
6. Dr. Charatpong Chotigavanich	Independent Director and Member of the Risk Oversight Committee
7. Dr. Kulpatra Sirodom	Independent Director and Member of the Audit Committee
8. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
9. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
10. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and President

Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

Authority and Responsibilities of TISCO Board of Directors:

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.
3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
5. Ensure good working relationship between the executive and non-executive directors and ensure adequate time for discussion of all agenda, particularly strategic issues.
6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
7. Provide access, advice and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.
8. Promote effective relationships and communications between non-executive directors and senior management.
9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.
10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

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

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

1. Approve business & operating plan of the Bank, as directed by TISCO Group's corporate strategies and business plan.
2. Ensure the institution of internal business codes and ethics, codes of conduct for directors, management and employees.
3. Continuously review the Bank's operations to ensure that its directors, management, and employees conduct the Bank's businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.
4. Ensure competent management of the Bank including appointing senior management.
5. Ensure the institution of effective systems for internal control and audit.
6. Ensure that the Bank's management refers significant issues to the Bank's Board of Directors.
7. Ensure that the Bank's management has in place risk management policies, processes and controls of all risk types. The Board shall be responsible for approval of adoption and ongoing implementation of such risk management policies and guidelines.
8. Appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy.
9. Ensure that the Bank has policies, guidelines and controls procedures for granting credit and investment transactions with related parties.

10. Ensure that there is a process for prompt submission of management letters from the external auditor and management to the Bank's Board of Directors.
11. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Bank, in particular, the proportion or the number of independent directors on the Board.
12. Ensure that the Board and the parent company receive sufficient information to effectively discharge its authorities, duties, and responsibilities.
13. Report business activities and financial performance to the shareholders.
14. Report business activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the Bank of Thailand.

The following responsibilities of the Board of Directors require approval from shareholders meeting: requirement by laws such as increase or decrease the Bank's capital, issuance of debentures, sales or transfers of whole or important parts of the Bank business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Bank's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Bank's regulators.

The Board of Directors may assign any other committees or an attorney to conduct the businesses on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest - as defined by the Securities and Exchange Commission - with stakeholders or may have any other conflict of interest with the Bank.

8.1.7.2 TISCO Bank's Executive Board

As of December 31, 2020, TISCO Bank's Executive Board was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Executive Board comprised the following four executive directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechapat	Member of the Executive Board

Authority and Responsibilities of TISCO Bank's Executive Board:

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

1. Determine and propose business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to Board for approval.
2. Review and oversee the business plan and budget and monitors performance.
3. Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
4. Approve transactions involving high risk.
5. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
6. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
7. Approve annual compliance report of TISCO Bank in order to ensure the Board's acknowledgement and accountability on compliance.

8.1.7.3 Risk Oversight Committee

As of December 31, 2020, TISCO Bank's Risk Oversight Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Risk Oversight Committee comprised the following non-executive director, independent director, executive director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Metha Pingsuthiwong	Member of the Risk Oversight Committee

Authority and responsibilities of Risk Oversight Committee:

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

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

8.1.7.4 Audit Committee

As of December 31, 2020, TISCO Bank's Audit Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Audit Committee comprised the following three independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: - All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.
- The Audit Committee is same members of the parent company, TISCO Financial Group Public Company Limited

Authority and responsibilities of Audit Committee:

Under consolidated supervision framework, TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO Group, business strategy, management and operations, risk and controls, human resources, finance and accounting, and corporate affairs, and corporate communications. The Audit Committee shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The Audit Committee has authority and responsibilities as detailed below;

1. Review the Bank's financial report to ensure accuracy and adequacy.
2. Review and evaluate that the Bank has suitable and efficient internal control system and internal audit.
3. Nominate and/or remove the independent person to be the external auditor of the Bank and recommend remuneration of such auditor as determined by the Audit Committee of the parent company as well as meet with the external auditor at least once a year without participation of management.
4. Ensure the accuracy and completeness of the disclosure of the Bank, especially the connected transaction or the transaction that may cause conflict of interest.
5. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.

6. Report to the Board of Directors of the Bank and Audit Committee of the parent company in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Bank's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws and regulations of related regulatory agencies. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand
7. Conduct the businesses as assigned by the Board in agreement of the Audit Committee.
8. Report audit activities to the Board of Directors on a regular basis.
9. Report audit activities to the Audit Committee of the Parent Company on a regular basis in compliance with Consolidated Supervision Principle of the Bank of Thailand.

Details of meeting attendance of TISCO Bank Public Company Limited's directors in 2020 are as follows:

Name	Time of Attendance			
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee
No. of total meetings (times) (percentages)	7 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)
1. Mr. Pliu Mangkornkanok	7 (100.00)	-	-	-
2. Mr. Suthas Suangmanamongkol	7 (100.00)	12 (100.00)	-	-
3. Assoc. Prof. Dr. Angkarat Priebjrivat	7 (100.00)	-	-	14 (100.00)
4. Prof. Dr. Teerana Bhongmakapat	7(100.00)	-	6 (100.00)	-
5. Mr. Sathit Aungmanee	7 (100.00)	-	-	14 (100.00)
6. Dr. Charatpong Chotigavanich	7 (100.00)	-	6 (100.00)	-
7. Dr. Kulpatra Sirodom	7 (100.00)	-	-	14 (100.00)
8. Mr. Chi-Hao Sun (Howard Sun)	5 ¹ (71.43)	10 ¹ (83.33)	-	-
9. Mr. Satoshi Yoshitake	7 (100.00)	12 (100)	-	-
10. Mr. Sakchai Peechapat	7 (100.00)	12 (100.00)	6 (100.00)	-

Remark ¹ Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Chi-Hao Sun is unable to attend the meetings in person one time. However, he was fully attended the Board of Directors and the Executive Board Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

8.2 Management

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

As of April 1, 2021, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

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

Authority and Responsibilities of Management Committee:

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

Authority and Responsibilities of the Group Chief Executive:

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

Authority and Responsibilities of Chief Operating Officer:

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

As of April 1, 2021, the Company has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Sakchai Peechapat	Group Chief Executive
2. Mr. Metha Pingsuthiwong	President and Chief Operating Officer
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President
4. Mr. Chalit Silpsrikul	Senior Executive Vice President
5. Mr. Chatri Chandrangam	Senior Executive Vice President, Chief Financial Officer, Acting Head of Corporate Communication
6. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President
10. Mr. Picha Ratanatam	First Executive Vice President
11. Ms. Pavinee Ongvasith	First Executive Vice President
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology
14. Ms. Rachada Pruksanubal	Executive Vice President
15. Mr. Theeranat Rujimethapass	Executive Vice President
Risk and Financial Control	
16. Mr. Kontee Sunthornpradit	Financial Controller / Acting Head of Planning & Budgeting
17. Ms. Chutintorn Vigasi	Head of Corporate Accounting
18. Mr. Nipon Wongchotiwat	Head of Enterprise Risk & Credit Control / Acting Head of Enterprise Risk Management
19. Ms. Surang Techarungnirun	Head of Credit Control
20. Mr. Puvarin Kullaphatkanon	Head of Risk and Business Analytics
21. Mr. Pichit Treethephasumphan	Head of Appraisal and Valuation
Governance Office	
22. Ms. Dulyarat Taveebhol	Head of Corporate Compliance
23. Ms. Maneerat Wattanajak	Head of Compliance - Banking Business
24. Ms. Yaninee Papnum	Head of Compliance - Asset Management Business
25. Ms. Sakornrat Manuwong	Head of Compliance – Securities Business
26. Ms. Nudtinee Suwanpanitch	Head of Legal Office
27. Mr. Prayuk Charoencharaskul	Head of Operational Risk Management
28. Ms. Jiraporn Sawsukpaiboon	Head of Credit Review
29. Mr. Ekarat Pongkitvanitchkul	Head of IT Risk Management
Internal Audit	
30. Ms. Chuenchit Trakarnratti	Head of Internal Audit

Name	Position
Information Technology	
31. Ms. Aree Archamongkol	Head of Corporate Services & Procurement
Economic Strategy Unit	
32. Mr. Komsorn Prakobphol	Head of Economic Strategy Unit
Treasury & Investment	
33. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Human Resources	
34. Mr. Watsakorn Thepthim	Head of Human Resources
35. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
36. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

8.2.1 Management of TISCO Bank

As of April 1, 2021, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Metha Pingsuthiwong	President
2. Mr. Pitada Vatcharasiritham	Senior Executive Vice President - Corporate Banking
3. Mr. Chalit Silpsrikul	Senior Executive Vice President - Retail Banking
4. Mr. Yuttpong Sriwongjanya	First Executive Vice President - Retail Banking - Sales & Marketing 2
5. Mr. Dejphinun Suthadsanasoung	First Executive Vice President - Retail Banking - Operations
6. Mr. Rungroj Jarasvijitkul	First Executive Vice President - Retail Banking - Sales & Marketing 1
7. Mr. Picha Ratanatam	First Executive Vice President - Wealth Management & Banking Services
8. Ms. Rachada Pruksanubal	Executive Vice President - Banking Services
Corporate Banking	
9. Mr. Manop Petdamrongsakul	Head of Corporate Finance
10. Ms. Sunee Tongsombutpanich	Head of Business and Risk Assessment
11. Mrs. Malatip Swintara	Co-Head of Business and Risk Assessment
12. Ms. Rapeeporn Ounchalanon	Head of Loan Administration
13. Mrs. Savika Jongpakpaisal	Head of Loan Documentation
Retail Banking – Sales & Marketing 1	
14. Mr. Wittaya Mettaviharee	Deputy Head of Retail Banking - Sales & Marketing 1 and Acting Head of Branch Channel 3
15. Mr. Noppadol Chumwong	Head of Hire Purchase
16. Ms. Parichat Suthatsanasuang	Head of Hire Purchase - Captive
17. Mr. Teerayuth Prasertrattanadacho	Head of Retail Marketing & Business Development
18. Mr. Suthep Trivannakij	Head of Branch Channel 1
19. Mr. Somboon Siriruck	Head of Branch Channel 2
Retail Banking – Sales & Marketing 2	
20. Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
Retail Banking - Operations	
21. Mr. Sukit Sakulwongyai	Assistant Head of Retail Banking Operation / Acting Head of Retail Collection
22. Ms. Penthip Laoboontharoen	Head of Retail & SME Credit
23. Mr. Worapoth Tirakaroon	Head of Retail Service & Support
24. Mr. Taworn Suphadechochai	Head of Retail Follow-up & Legal
25. Mr. Nattanan Ananpreeyavit	Head of Contact Center

Name	Position
26. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
27. Ms. Supissara Srikwanthong	Head of Retail Data Analytics
SME	
28. Mr. Phongsophon Wongthongkam	Deputy Head of SME
Mortgage Loan	
29. Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Branch Operation Support	
30. Mrs. Wantana Kitchpanich	Head of Branch Operations Support
Wealth Management	
31. Mr. Thanom Chairoondeekul	Deputy Head of Wealth Management
32. Ms. Pitchapa Wongsarasak	Head of Wealth Product
33. Mr. Satit Pawahan	Head of Private Banking
34. Ms. Saranya Weeramahawong	Head of Personal Banking 1
35. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
36. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
37. Mr. Nattakrit Laotaweessap	Head of Wealth Advisory
Banking Services	
38. Ms. Lapanant Tanwanna	Head of Custodian Service
39. Mrs. Suwandee Khaolaorr	Head of Cash Management
40. Mr. Kittichai Tonnajarn	Head of Counter Services
41. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
42. Ms. Mayura Sanguansaksri	Head of Logistic & Control
43. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
44. Mrs. Kusumar Pratomsrimek	Head of Bancassurance and Acting Head of Telemarketing Channel
Marketplace & Digital Deposits	
45. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits
Digital Banking & Business Innovation	
46. Mr. Tula Rodsalub	Head of Digital Banking & Business Innovation

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

Authority and Responsibilities of President:

Under consolidated supervision framework, the President shall ensure adoption and implementation of TISCO Corporate Governance Policy approved by the Board of Directors of the Parent company in the day-to-day management and decision making of the Bank. The President shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The President has authority and responsibilities as detailed below;

1. Develop business & operation plan for the Company as directed by TISCO Group's corporate strategies and business plan.
2. Ensure strategic alignment of the Bank to TISCO Group's direction and ensure effective implementations of the Bank's business plan.
3. Direct, control, and monitor day-to-day operations of the Bank according to TISCO Group's policies and guidelines.

4. Oversee the Bank's services, operations, risk management & control systems.
5. Monitor the Bank business activities and operating performance.
6. Control the Bank's financial budgets and manage the Bank's allocated resources.
7. Ensure that the Bank business conducts are in accordance with related laws and regulations.

8.3 Corporate Secretary

The Board of Directors have appointed Mr. Pairat Srivilairit as the Corporate Secretary, effective from September 1, 2013, to be responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management's report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board. (*Profiles and qualification of Corporate Secretary as shown in Attachment 1*)

8.4 Director and Management Remuneration

8.4.1 Director and Management Remuneration Policy

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

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Officer and management (called "management") shall be linked to short and long term performance of TISCO Group, in and that of each management member. The remuneration should be determined in accordance with Director and Management Remuneration Policy approved by the Nomination and Compensation Committee with an endorsement from the Board of Directors.

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

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2020, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors of each subsidiary company, under the authority delegated by its shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

8.4.2 Financial Remuneration

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2020, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, to be valid until amended.

The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors. Following the Board of Directors Meeting No. 5/2020 on June 29, 2020 approved directors' remuneration to be allocated as follows:

(Unit: Baht)

	Monthly Fee	Meeting Fee
Board of Directors		
Chairman	240,000	60,000
Member	50,000	50,000
Advisor	40,000	-
Executive Board		
Chairman	-	60,000
Member	-	50,000
Risk Oversight Committee		
Chairman	-	60,000
Member	-	50,000
Audit Committee		
Chairperson	-	60,000
Member	-	50,000
Nomination and Compensation Committee		
Chairperson	-	60,000
Member	-	50,000
Corporate Governance Committee		
Chairman	-	60,000
Member	-	50,000

Total of Board of Directors' remuneration of TISCO Financial Group Public Company for the Year 2020

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkornkanok	2,880,000	480,000	-	-	-	-	-	3,360,000
2. Mr. Hon Kit Shing (Alexander H. Shing)	600,000	300,000	-	-	-	200,000	-	1,100,000
3. Mr. Suthas Ruangmanamongkol	600,000	-	-	-	-	-	-	600,000
4. Assoc. Prof. Dr. Angkarat Priebjrivat	600,000	400,000	-	-	840,000	-	-	1,840,000
5. Prof. Dr. Pranee Tinakorn	600,000	400,000	-	-	-	300,000	100,000	1,400,000
6. Prof. Dr. Teerana Bhongmakapat	600,000	400,000	-	360,000	-	-	120,000	1,480,000
7. Mr. Sathit Anugmanee	600,000	400,000	-	-	700,000	250,000	-	1,950,000
8. Dr. Charatpong Chotigavanich	413,333.33	400,000	-	300,000	-	-	100,000	1,400,000
9. Dr. Kulpatra Sirodom	415,000	400,000	-	-	700,000	250,000	-	1,950,000
10. Mr. Chi-Hao Sun (Howard Sun)	600,000	300,000	500,000	-	-	-	-	1,400,000
11. Mr. Satoshi Yoshitake	415,000	-	-	-	-	-	-	600,000
12. Mr. Sakchai Peechapat	415,000	-	-	-	-	-	-	600,000
13. Ms. Krisna Theravuth ¹	480,000	-	-	-	-	-	-	480,000
Total	9,960,000	3,480,000	500,000	660,000	2,240,000	1,000,000	320,000	18,160,000

Remark: ¹ Ms. Krisna Theravuthi was appointed to be Advisor to TISCO's Board of Directors since April 26, 2013, with monthly remuneration of Baht 40,000.

In 2020, total remuneration for the Board of Directors was Baht 17,680,000, and Advisor to the Board of Directors was Baht 480,000, additionally, the Management was Baht 463,628,652, the total amount was Baht 481,788,652. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance.

Regarding the remuneration for subsidiary companies' directors in 2020, TISCO Bank, the core company of TISCO Group, paid remuneration to the Managements (the Management who are in the Parent Company and seconded to manage TISCO Bank), was Baht 189,215,060. This was paid in form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Bank performance.

8.4.3 Other Remuneration

The Company also provides other non-monetary benefits for directors as follow:

1. Executive vehicle for the Chairman of the Board
2. Group Life and Accident Insurance, or Health Insurance for director(s) who are Thai national and over 60 years old
3. Directors & Officers Liability Insurance (D&O) with liability limit of no more than USD 6,000,000

8.5 Human Resources

As of December 31, 2020, the total number of employees at TISCO Group was 4,997 (excluding senior management) of which 4,532 were permanent employees and 465 contract staff.

Major Function	As of	
	December 31, 2019	December 31, 2020
1. Retail Banking	3,198	3,237
2. Corporate Banking	50	46
3. Wealth & Asset Management	1,057	1,014
4. Corporate Affairs & CSR	710	700
Total	5,015	4,997

At the end of 2020, the number of employees of TISCO Group decreased by 18 staffs (0.36% YoY). Meanwhile, TISCO Group's total employee remuneration in the form of salaries, bonuses, and provident fund contributions was 4,550,215,597 Baht.

8.5.1 TISCO Group Registered Provident Fund

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

Employee's Contribution: Members shall remit contributions to the fund by granting the Employer permission to make deductions from their monthly salary. Members have two alternatives; to remit contributions at 5% or 10% or 15% of monthly salary, or at the same rate as the employer's contribution, which can be changed once a year.

Employer's Contribution: Employer is obligated to contribute to the fund on the same day as the employee, and the percentage of the employer's contribution depends on the employee's years of service as follows:

Years of Service	Employer's Contribution (% of salary)		
	Normal Rate	Special Rate	Total Rate
1st year	5	-	5
2nd year	6	-	6
3rd year	7	-	7
4th year	8	-	8
5th year	9	-	9
6th year	10	-	10
7th year	10	1	11
8th year	10	2	12
9th year	10	3	13
10th year	10	4	14
11th year and above	10	5	15

The fund committee comprised of the employee's elected representatives and the employer's appointed representatives. Terms for fund committee members are valid for two years, and any individual can be re-elected or

re-appointed. The fund committee is responsible for the supervision of fund management and investment policy. To broaden choices of employees for more suit their risk appetite and needs, TISCO Group Provident Fund employs a master fund with 4 investment policies (sub funds) which are Fixed Income, Mixed, Equity and Foreign investments. There are 17 predefined investment allocation choices for members to choose from. Presently, employees are able to switch their investment policies four times per year.

8.5.2 General Human Resources Policies

To strengthen the group's human resources management and operations in order to satisfy needs of stakeholders with high efficiency, TISCO Group had established one Human Resources Policy that applies to all TISCO entities. Human Resources system and tools are developed to ensure the most effective human resource management and development. Human Resources operations are centralized for work efficiency and consistency. Meanwhile, decentralized authority and empowerment is embedded to allow business lines to execute competitive HR practices for competitive advantage in their own business environment and industry. The policy is shown as follows:

1. Principles of Dealing with People at TISCO Group

Because professionalism and trust in financial services is crucial, TISCO Group has established a clear definition of its corporate values in order to foster their development in TISCO Officers. The key to accommodate the journey of the organization towards success is to foster our officers to be sensible and do like TISCO Officers who are smart, well-doing and happy according to TISCO Group's values as below:

1. Mastery
2. Creativity
3. Integrity
4. Reliability
5. Customer Priority
6. Guidance

2. Hiring

In order to serve various business aims while maintaining a uniform corporate culture across the group, the selection and hiring of TISCO Group employees is based on corporate values and the required competency, i.e. Organizational Core Competencies, Functional Competencies, and Leadership Competencies.

To ensure good corporate governance, close relatives and immediate family members of the Board of Directors, the Executive Board, and the Management Committee, will not be considered for any job vacancy in the TISCO Group. The same condition will apply to senior employees with managerial authority. Kin and immediate family members of other employees are to be considered on a case-by-case basis by senior management and the human resources function. Every candidate will be assessed to match their competency with the requirements of the position and potential for growth in the future.

TISCO Group has job promotion and job rotation policy in case of job vacancy in the TISCO Group. Even, the executive and human resource function also have duty to select the candidate from outside who have appropriate qualification in order to maintain the good quality of human resource. It is as important to hire the right person as it is to integrate newcomers into the organization so that their skills and behaviors can merge smoothly with TISCO Group culture.

3. Employment at TISCO Group

To uphold the highest standards of Good Corporate Governance, TISCO Group has established a "**Business Code of Conduct**" that demonstrates its determination to be a good corporate citizen in society. These principles are to be respected everywhere and under all circumstances. The management will implement the necessary processes to ensure that these principles are enforced at all levels. Employees who fail to abide with the Business Code of Conduct cannot be maintained in employment and will be asked to leave the organization. Employees should also inform vendors, suppliers and the providers of outsourced services of our Business Code of Conduct in the issues related to them and they should comply.

TISCO Group favors a policy of long-term employment. Separations are only for cases violating the Bank's principles, business misconduct, retirement, leaving voluntarily, and falling into the separation criteria as stated in the rules and regulations that TISCO Group has registered with the Department of Labor. Whenever an operation or business cannot be maintained under the parent company's umbrella (TISCO Financial Group Public Company Limited), reasonable steps will be undertaken to avoid overall loss of employment and by fully respecting all related labor laws. Reasonable efforts will be undertaken to reduce, as much as possible, the suffering of our employees.

4. Assessment and Development

4.1 Assessment

Employees are assessed in all steps of employee movements from selection of new candidates to promotion, career development and succession planning. Assessments and evaluations are carried out in many aspects, including knowledge, skills, competencies, performance, and leadership, as well as alignment with corporate

values. This ensures that quality of people be fit with TISCO Group's strategy, culture, technology and environment, which in turn ensure maximum human resources value. The Human Resources function will provide assessment tools at the corporate level, whereas business units will have the freedom to customize assessment tools under corporate HR consultation to suit each business environment while maintaining corporate standards of people quality.

4.2 Development

To sustain organizational growth, TISCO has prioritized human resources development as a primary policy. Learning culture is established by providing development solutions that satisfy both organizational requirements and individual development. A policy that encourages continuous self-improvement through learning leads to sustainable growth and, finally, a High Performance Organization.

Employee development plans are specific to each job positions in TISSCO and covers 4 types of competencies, namely, organization core, business, technical, and leaderships. In addition, the skills required to cope with changing technology and business environment are also considered.

The Human Resources function is responsible for providing knowledge and skills development at the corporate level for corporate competitive advantage. At the Business Unit level, the Human Resources function provides consultation and advice on development methodology and techniques to maximize learning and development of human capital to add value to the business. Human Resources is also responsible for the recording of organizational knowledge and the skills inventory of all business units in TISCO Group. The Human Resources Development activities in TISCO are handled by a dedicated team – "TISCO Learning Center".

5. **Career Management**

To motivate employees and build up the organization's strength, every employee has opportunities for career progression, both vertically and horizontally. TISCO Group emphasizes **"promotion from within"** for available job positions. Should there be no best fit within the organization, hiring from outside then comes into consideration. Promotions in TISCO are in accordance with employee competencies level and degree of matched competencies.

Career development and progression are open for upwards, downwards and lateral movements both within business units and functions and cross-functions across TISCO Group. Open communication in career development and progression is mandatory between line managers and employees to ensure transparency and clear expectations.

6. **Performance Management**

The objective of Performance Management is to build a workforce committed to the delivery of quality service while building a trusting relationship between line managers and job performers. Performance Management will be a key responsibility of every employee who assumes a supervisory role. Regular counseling and guidance are the best tools for improving performance and helping people develop their skills. Efficient performance management emphasizing the achievement of agreed objectives is a prime responsibility for each manager. Candidates for managerial positions should clearly have demonstrated a willingness and ability to apply the performance management system and process. The components of the performance management system and process are outlined in the guidelines and manuals that support Human Resource policy and will be developed, updated and maintained by the Human Resources function.

TISCO Group sets up performance management system to ensure that individual employees perform according to business plans. Line managers review goals and key performance indicators for each position under his/her scope of responsibility to ensure alignment to an annual plan. Goals and key performance indicators then are communicated to individual employees at the beginning of the year. Throughout the year, employee performance is monitored with coaching and feedbacks to ensure employees are performing toward the defined goals.

7. **Employee Compensation and Benefits**

TISCO Group recognizes that its employees are its most important resource and thus places great emphasis on their health, safety and well-being TISCO Group arranges for all employees to have annual physical checkups, and has set up programs to promote continuous exercise for employees to promote good health and immunity to illness. The nursing facilities are also available at main sites to provide first aid and healthcare and provide advice on health and well beings to the employees.

TISCO Group favors competitive, stimulating and fair remuneration structures offering an overall competitive and attractive compensation package. Various forms of compensation are designed in combination to best match the nature of various jobs, as well as supply and demand. Remuneration includes salary, fixed and variable incentives/bonuses, social welfare, provident fund, health care and other benefits.

TISCO Group has adopted market benchmarking compensation system, incorporated with the job levels and job family, so that it is flexible and able to adapt to the evolution of market conditions. Its structure allows sufficient flexibility to effectively reward high professional insight and performance as well as individual potential in both generalist and specialist employees.

TISCO Group will establish a compensation practice based on relevant external compensation levels as well as the requirement of internal fairness. It is the responsibility of each manager to propose, within the framework of TISCO Group policy, the remuneration of his/her employees, taking into account the local market, competency in financial industry, individual performance, skills and potential for development.

It is also the responsibility of each manager, if needed, with the support of the Human Resources function, to communicate properly, clearly and with sufficient transparency, the individual remuneration of each staff member regarding his/her specific responsibilities. The quality of communication in these matters is an essential part of the dialogue that each manager will have with his/her employees. It should be realized that, however important remuneration is for each employee, it is not remuneration alone that will stimulate the motivation of staff.

TISCO Group rewards employees in the following aspects:

7.1 Pay for roles and responsibilities

All jobs in TISCO Group are clearly identified by key roles and responsibilities and slotted into the broad banding system from job evaluation. Certain pay levels are determined for each job by market surveys and benchmarking. The jobholders will be rewarded within the pay range of their particular job and band.

Individual remuneration is considered from skills, knowledge, behavior, attitude and potential to contribute to the business. Development of competency level will be valued and rewarded. Line managers have a direct responsibility to assess team members for a fair reward.

7.2 Pay for performance

Performance objectives and targets for each employee are preset and agreed at the beginning of the financial year. Employees who meet their target are entitled to earn rewards in the form of monetary bonuses or incentives of any form that TISCO Group will announce in the future. In term of target setting, the individual performance measures must be aligned with business target e.g. business volume, operating expenses, as well as risks related to business activities, and etc.

Different types of businesses in TISCO Group can have different combinations and methods of pay, with senior management agreement and CEO and President approval, in order to drive business success.

8. **Human Resources Administration**

To be fully in compliance with labor laws and regulations, all HR practices related to labor laws are centralized at the Human Resources function so as to be handled properly. Any policies and/or HR practices that contradict national labor laws will be automatically superseded and the Bank's rules will be revised in accordance with new labor laws.

Human Resources function will record employee data for overall and high-level workforce management. Transfers or changes in employee status at all business units across TISCO Group are to be reported and processed according to the corporate HR guidelines and procedures.

Occupational Safety and Health

TISCO Group has established policies and guidelines regarding occupational safety, health and working environment for TISCO employees and external service providers operating in the office area of the TISCO Group including those who visiting TISCO to have safety and good health in TISCO working environment which conforms to the Occupational Safety, Health and Environment Act, BE 2554 and according to the Ministerial Regulation on the Standard for Administration and Management of Occupational Safety, Health and Environment, BE 2549.

Safety, health and working environment are considered the responsibility of and involving with every employee. Therefore, it is critical that all employees must understand and cooperate well according to the prescribed guidelines and procedures in order to mitigate risks and hazards either to themselves or others. TISCO set up learning plans that every new employee must attend and pass the E-learning class for the topic of "Safety in the Office" through TISCO Learning Management System in order to complete or pass the requirement for work probation period. In addition, TISCO provides information and knowledge about accident prevention through various channels such as HR News, Health Tips, Health Alert and Knowledge Management (KM) as well as through related projects such as workplace inspection with ergonomic tools, risk assessment and work environment etc.

From the statistics report on injury, occupational diseases and death due to the work in 2020, there were no employees who died from work. However, there were 88 employees that injured or sick due to work related illnesses, which can be divided into various cases as follows:

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
Injuries					
• Minor Wound	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
Occupational Diseases					
• Noise-induced hearing loss	Head Office	10	3	-	-
	Bangkok Metropolitan Region	9	8	-	-
	Provincial	-	-	-	-
• Musculoskeletal strain	Head Office	3	11	-	-
	Bangkok Metropolitan Region	1	1	-	2

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
• Vision	Provincial	-	1	-	-
	Head Office	30	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
• Pulmonary function	Provincial	-	-	-	-
	Head Office	11	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
Provincial	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
Fatalities					
• Work-Related Fatalities	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-

Details of Occupational Safety and Health

Data	Unit	January - December 2020					
		Male	Female	Head Office	Bangkok Metropolitan Region	Provincial	TISCO Group
Injury Rate: IR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Injury Rate: LTIR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Injury Rate: LDIR	Number of lost day per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate: ODR	Number of employee per 200,000 working hours	5.01	2.82	3.74	6.57	7.41	1.80
Absentee Rate: AR	Percent	1.00	1.07	1.25	0.69	0.71	1.04
Number of sick leave	Day	4,695	9,029	10,485	1,073	2,166	13,724
Total of sick leave days unrelated to work	Day x 7.30 working hours	34,273.50	65,911.70	76,540.50	7,825.60	16,439.60	100,185.20

Remark: 1. The calculation is based on the International Labor Organization standard: ILO-OSH 2001

2. Lost Time Injury - refers to an injury that stops work from 1 day or more (start counting holidays from the date of the accident)

3. Lost Day Injury Rate, once used, Lost Day Rate:

4. Working hours - refers to working hours information from the Employee Self Service system of the full time employees during January and December 2020. Working hours include overtime and actual working hours of employees resigned during the year

TISCO concerns for dangers that may arise from violence and abuse by customers or adversary as well as the situation of bank robberies, protests and other terrorism. Therefore, security measures such as space access control by defining the classes of security and the types of access were implemented with electronic Access Control system, security guards, intrusion alarm system and CCTV equipment. TISCO also developed contingency plan in case of emergency to guide TISCO BCM Team, employees and visitors within the TISCO office area to protect the lives of employees and reduce any potential losses.

In 2020, TISCO Group continued the normal work processes but due to the spread of COVID-19 in many areas, its impact resulting to the workflow process, human resource as well as company policy. Nonetheless, TISCO Group concerns on health and welfare of employees and therefore applies the Business Contingency Plan (BCP) plan into the working plan. Central's employees has split sites of workplace or Work From Home in order to reduce risk, follow social distancing policy from the public health practices, including shifting of work hours to reduce congestion and increase transportation convenience. Moreover, TISCO Group also monitors employees who working in high-risk areas.

9. Succession Planning

To prepare the organization for the future, all key positions are required to develop successors and put development plans in place. Succession planning is overseen by the HR Committee and Nomination and Compensation Committee with support from the Human Resources function.

In addition, Nomination and Compensation Committee of the Company responsible to prepare the succession plan of the senior executives of all companies in TISCO Group for tranquil and continuous business operation. The succession plan will periodically review. The Nomination and Compensation Committee of the Company will select and nominate names of qualified candidates to the Board of Director for the position of senior executives in the Company and its subsidiaries which contribute more than 25% of total revenue of TISCO Group.

8.5.3 Organizational Development & the Learning process

As a part of an ongoing plan towards becoming a learning organization, TISCO Group has continued to invest substantially in a program to develop all levels of personnel so that they can fully contribute to the organization and its stakeholders. The TISCO Learning Center has been formed as a new unit dedicating to deliver training programs and roadmaps to enhance the organization competencies, including performance and competency development, productivity improvement, leadership and developmental effectiveness. TISCO Group continued to implement various development programs which totaled 9 programs as follows;

1. Development programs to support business & marketing plans

There are 9 development programs for business managers and staff as follows:

1.1 Hire Purchase Marketing Development Program

The hire purchase marketing team plays an important role in providing retail finance solutions to TISCO clients. This newly designed program aims at the roles and comprehensive knowledge on retail finance products as well as customer service skills. This is to secure positioning of the all-in-one solution provider for retail finance clients and ensure a continuous growth in retail finance business.

1.2 Branch Manager Program

Branch managers are executives of bank branches. Their roles and responsibilities are managing and monitoring branches to achieve business targets. TISGO group has designed this program to update Branch Managers on business knowledge, current economy, regulations and work procedures. The program also aims to improve leadership and management skill which reflects our leading corporate's professionalization and meets business goals.

1.3 Somwang Onboarding Program

The hire purchase marketing team plays an important role in providing retail finance solutions to TISCO clients. This newly designed program aims at the roles and comprehensive knowledge on retail finance products as well as customer service skills. This is to secure positioning of the all-in-one solution provider for retail finance clients and ensure a continuous growth in retail finance business.

1.4 Somwang Trainer Program

According to expand Somwang business in suburban areas, additional trainers and mentors are to be built to support new branches countrywide. The trainers will be trained and equipped with skills and knowledge to ensure maximum effectiveness of teaching to build new high quality staffs for the branch network.

1.5 All Finance Program

All Finance representatives are personal finance product advisors who offer products to clients. They are trained on product knowledge, work process, market conducts, and marketing skills.

1.6 Retail Credit Program

Retail credit team analyzes clients loan requests and credit decisions. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality which is key to retail finance business.

1.7 Customer Service Program

Customer service team is a touch point at our branches. The need to possess knowledge and skills on professional services to create pleasant customer experience. They are also updated with necessary work process and related regulations.

1.8 SME Credit Program

SME credit team analyzes loan proposals for SME projects. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality with proper risk justification.

1.9 The Teller Refresher Program

Teller refresher program has been designed and continuously updated to equip new TISCO Bank tellers with all the necessary bank teller skills plus the awareness of risk management as well as customer services. Regular refresh courses are also administered for all existing tellers to ensure that desired level of expertise can be maintained. All tellers are trained on the newly implemented core deposit system; ensure smooth operation which will allow tellers to provide better serve the clients.

2. TISCO Leadership Development Program

TISCO continuously develop its middle management team to support a rapid growth in business which leads to dynamic changes in organization size, corporate vision, missions, strategies, and branding. To cope with these changes effectively, Managers and Leaders play important roles in the organization. Being a role model and driving force, they have to understand and aware of rapid external changes as well as ability to motivate their teams and be adaptive to the changes around them. To lead into a single direction and synergies, TISCO Leadership Development Program was launched for all managers and leaders. The program provides skills and knowledge on team management, leadership, and strategic management. This ensures effective and flexible management in TISCO as a modern organization.

3. Executive Trainee Development Program

The objective of this program is to improve multi-functional skills and capabilities of executive trainees (or selected-high-potential employees) to meet business strategies and to develop each of them for being an executive in the future. These executive trainees have comprehensive knowledge of TISCO business. In addition, communication and relationship skill have been built through activities with each colleague from different business

unit. Not only those necessary knowledge and skill, but also philosophy which leads them to achieve happy and high quality work, including being open and adaptive to changes in society.

4. New Manager Orientation Program

The objective of this program is to equip newly promoted manager with management and supervisory skills to lead and manage their teams effectively. The new managers are provided with basic leadership strategy and tools so that they can apply and implement, including strategic thinking for planning and making business decisions.

5. Competencies Development Program

TISCO Group consistently values employee development and promotes training and development on specific job-related competencies, including organization core, business and technical competencies. The development programs are offered as per organizational learning roadmap and individual development plan and promotes employees to be developed continuously to ensure possession of necessary skills and knowledge, both from internal training and external training programs.

6. TISCO Values cultivation program

TISCO values are the essence qualities we cultivate in our people through induction, training, into TISCO culture and attitude. Our values; Mastery, Integrity, Reliability, Customer priority, creativity and Guidance are adhere with all employees to practice values behaviors to everyday life. TISCO Values align with our vision and mission. The cultivation of values commences from top management team who structure value behaviors to managers who, then, shape and encourage employees to practice accordingly. This project is called "Value in practice"; an aligned mutual understanding of values across all level which employees can practice accordingly through communication, training, induction program and employee activities.

Training and induction program; create value awareness and understanding of the desire value behavior in the onboarding program. Design training courses that aligned with Values such as "Mastery and creativity" is reflected regularly on Product knowledge and process improvement training program. "Guidance" is encouraged by developing in-house trainers to teach financial literacy camp. "Integrity" is emphasized in "market conduct" intensive training, ensuring proper information disclosure to customers.

Employee Activities and internal communication is also emphasis in maintains value behaviors. "Creativity" is enhanced in recognition, innovation contest, and creates opportunities for employee to freely participate in developing solutions.

TISCO employee survey of 2020 indicates that TISCO employees are able to reflect six values of TISCO outstandingly at average score of 8.47 out of 10, increased from 8.31 in 2019. "Integrity, Customer Priority, Guidance, and Mastery" are top values that employees valued and reflect distinctively which aligned with TISCO vision and mission. Compared to the survey scores of external organizations on the same topic, found that employees had knowledge, understanding and core value perception at average score of 84%.

In addition to the annual job satisfaction survey, TISCO invite external independent consultant to conduct employee engagement survey regularly. In 2019, Hi-Way Company Limited, a subsidiary of TISCO Financial Group, was awarded "Thailand Best Employer 2019" by Kincentric Thailand and SASIN School of Management of Chulalongkorn University. This is the 3rd time Hi-Way is named "Thailand Best Employer" and the 4th time of TISCO as TISCO Bank was also named "Thailand Best Employer 2013". The engagement score has been high at 92% overall, 81% Agility, 84% Engaging leadership and 84% talent focus.

7. Learning Management System and e-Learning

TISCO Group is aware that employees are entitle to competencies development and therefore can assess to the organization knowledge. The learning management system has been implemented to allow employee to self-study and track their own development progress. It also systematically accumulates organization knowledge which serves as pool resources that enable future human resources development in the future.

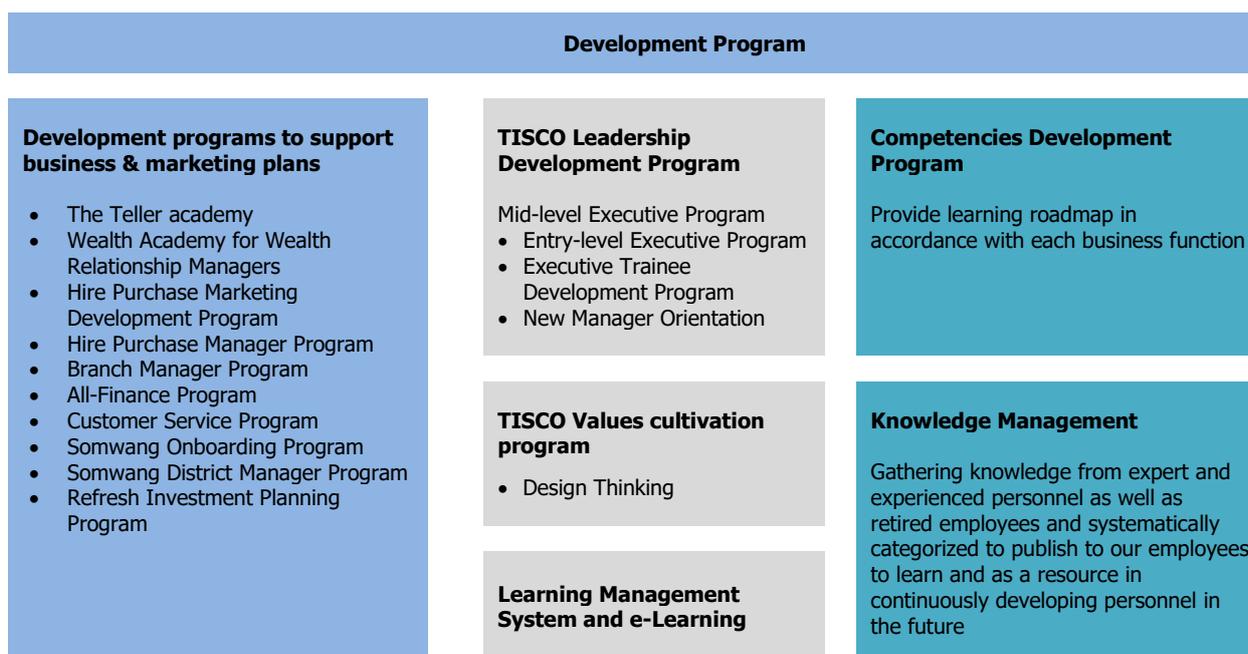
8. Knowledge Management

TISCO Group values expertise and successful factors which have been accumulated and inherited in our corporate traditionally. To gather and apply this knowledge efficiently, this KNOWLEDGE MANAGEMENT is established to completely collect corporate's knowledge. This process begins from gathering knowledge from expert and experienced personnel as well as retired employees and systematically categorized to publish to our employees to learn and as a resource in continuously developing personnel in the future. In addition, there are other staff development programs of 392 programs.

9. OASIS Growth Mindset Campaign

TISCO Group adapts to continuous changes in economic and technology and initiates a culture change program to build grown mindset for employees at all levels. The objective is to build employees who are open for changes and being adaptive, as well as able to accumulate and share knowledge within the organization. The OASIS project (Open – Adaptive – Sharing) enables employees to keep up and adapt to changing environment. It is the foundation infrastructure for innovation by having employees who learn, develop, and deliver continuously.

In addition, TISCO has more 226 training programs.



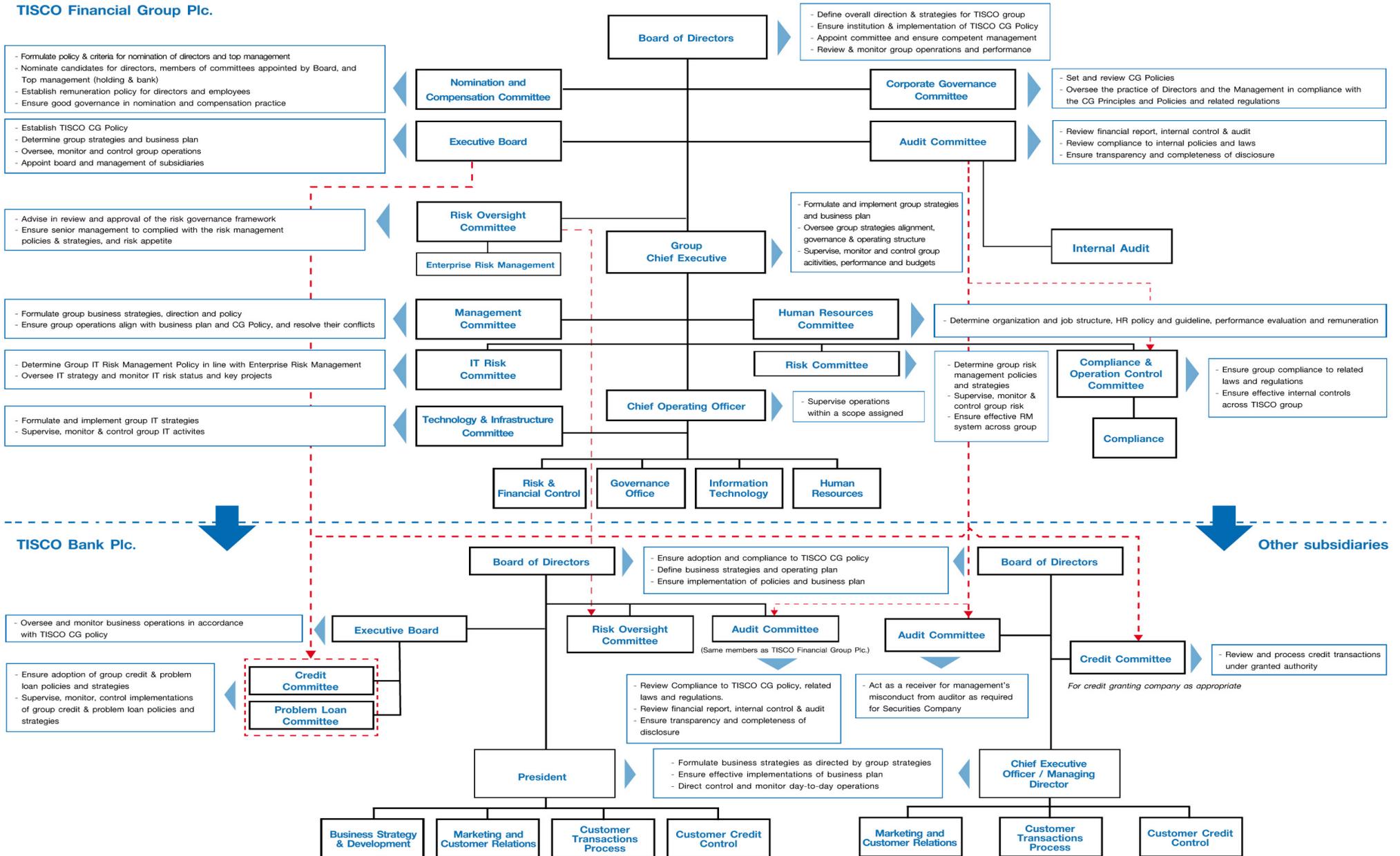
Training Program	2018	2019	2020
Total training hours (Hour/Staff/Year)	33.34	26.37	24.55
Breakdown by Sex (Hour/Staff/Year)			
Male	31.59	24.95	23.30
Female	34.32	27.16	25.24
Breakdown by Position (Hour/Staff/Year)			
Executive ⁽¹⁾	50.98	41.76	27.51
Non-executive ⁽²⁾	32.89	26.00	24.48
Breakdown by Business Pillar (Hour/Staff/Year)			
Retail Banking	28.72	24.20	25.79
Corporate Banking	17.20	16.67	14.63
Wealth and Asset Management	47.82	31.97	26.46
Corporate Affairs & CSR	32.50	28.47	16.87

Remark: (1) Executive means function-head rank to managerial rank.

(2) Non-Executive means employees under function-head rank.



Governance Structure



9. Corporate Governance

9.1 Corporate Governance Policy

TISCO Group is dedicated to providing competitive and innovative financial solutions that ensure complete customer satisfaction. Our commitment to the highest ethical standards and good corporate governance stems from our belief that a truly successful business is one that conducts itself as a good corporate citizen of the society in which it operates. This can only be achieved by ensuring that the rights and interests of all stakeholders, which include shareholders, employees, customers, business partners, creditors, competitors, society and the environment, are fully protected with maximum accountability, transparency, equitable treatment, adequate disclosure, and protection of customer data. This commitment applies to TISCO as well as its subsidiaries, directors, management, and subsidiaries' employees.

In addition to following the 2017 Corporate Governance Code for listed companies from the Securities and Exchange Commission, TISCO Group reviews its Corporate Governance Policy every year to ensure it reflects the Group's business and social sustainability objectives, including maximization of shareholder value and benefits for all stakeholders, and to define a framework for the practices of directors, management, and TISCO Group employees in accordance with related laws, regulations, policies and code of conduct. The Corporate Governance Committee considers the Policy and makes recommendations to the Board of Directors for approval.

TISCO's Corporate Governance Policy covers the composition, roles, and responsibilities demonstrated in Corporate Governance Structure, Corporate Governance Practices, Governance Structure, Corporate Compliance Roles and Responsibilities, and Centralized Policies. The Company and its subsidiaries, including directors, management, and employees, are expected to strictly comply with the Group's Corporate Governance Policy and the principles of good Corporate Governance: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, Board Responsibilities, and Integrity and Ethics. This compliance is in order to ensure that TISCO Group's subsidiaries carry out duties with maximum accountability, transparency, and equitable treatment to all stakeholders so as to promote managerial integrity, effectiveness, and efficiency across the Group. *(Details of Corporate Governance Policy are presented on www.tisco.co.th).*

To ensure that all employees understand and effectively carry out their duties in compliance with the relevant regulations and business code of conduct, TISCO holds a compulsory Compliance and Human Resource Policy Test annually through the TISCO Intranet system. The test results are evaluated to enhance staff awareness of their roles and responsibilities as part of good corporate governance. Employees taking the test will be able to learn instantly from the provided answers to all questions. The Company has developed and revised the test in alignment with changes in laws and regulations. Completion of the test is required for all employees as one of the Compulsory Key Performance Indicators. All new staff hired during the year are required to complete the test in addition to attending the orientation. The results of the test will be considered part of their evaluation.

TISCO not only abides by domestic regulations but also follows international regulations, as reflected in the ASEAN Corporate Governance Scorecard 2019. TISCO is one of 42 companies in ASEAN Asset Class PLCs with at least a 97.50 score in the assessment of ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB), which is made up of the Capital Market Authority of each country in ASEAN. In 2020, TISCO received an **Excellent Corporate Governance Report** from the Thai Institute of Directors (IOD) for the 13th consecutive year since 2007. Given that 692 listed companies received a corporate governance assessment, one can be assured that TISCO adhered to good corporate governance policy. TISCO as a listed company also passed the **2020 AGM Checklist** with a full 100 score, the 6th consecutive year doing so. The evaluation, involving 712 companies, was conducted by the Thai Investor Association in collaboration with the Securities and Exchange Commission and the Thai Listed Companies Association. TISCO received the awards for corporate governance in the areas of sustainable development, environment, society and good governance. These reflect the Company's intention to develop financial products and services which take shareholders into consideration, and represent good corporate governance by benefiting society and the environment. These have been principle parts of the organization's sustainable development for more than 50 years. The Company proposed the

assessment result to the Corporate Governance Committee, which subsequently reported it to the Board of Directors to review recommendations and improve the corporate governance of TISCO Group.

TISCO Group emphasizes information disclosure. Thus, regular meetings with investors, both local and foreign, were held to illustrate TISCO Group's policies, exchange viewpoints, and respond to any queries to maintain trustworthiness and professionalism concerning all stakeholders.

1. Rights and Equitable Treatment of Shareholders

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

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

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

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

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

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

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

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

the Company shall state the reason for refusal to at the shareholders' meeting, on the Company's website or through any other appropriate information dissemination channel.

For the 2020 Annual General Meeting, TISCO invited shareholders to propose agenda and qualified candidates for directorship in advance, from September 1 to November 30, 2019. Before mailing out the Notice, the Company posted on its website information for shareholders regarding their right to propose additional agenda items at the annual general meeting, along with related procedures, deadline for the proposal of agenda items, and methods of proposing qualified candidates for directorship to the Nomination and Compensation Committee for further recommendation to the Board of Directors and proposal to shareholders at the annual general meeting. Posting of the information on the Company website coincided with similar disclosure through the Stock Exchange of Thailand's information dissemination channel and website. No shareholders had proposed additional agenda items and qualified names for directorship as of the stated date of the Annual General Meeting.

- Notification of Meeting Details and Materials

The Company prepares the Notice of the shareholder meeting in both Thai and English and notifies investors of the meeting details prior to the meeting date through the Stock Exchange of Thailand's information dissemination channel and its website so as to allow shareholders adequate time to study the meeting materials. Such notice and materials shall be sent to the shareholders no less than seven days or 14 days, in case of a special meeting agenda, before the date set for the meeting, in accordance with the law. The information presented on the website shall be the same as that presented in the meeting materials sent to the shareholders, which includes (1) Notice of the meeting, (2) Procedure for meeting registration, (3) Profile of the independent directors nominated to serve as proxies for shareholders, (4) the Company's Articles of Association in the category of company's shareholder meetings, directors; with regards to the number of directors section, an election of directors, director's term of office and dividend, (5) Agenda of the meeting, (6) Annual Report, (7) Proxy Forms, (8) Registration and Voting Form, (9) Meeting location map, and (10) Return envelope. In addition, the Company shall publish the Notice of the shareholder meeting in a Thai daily newspaper for three consecutive days and not less than three days before the date set for the meeting. All agenda items shall indicate clearly whether it is a matter being proposed for acknowledgement, for approval, or for consideration, and include the opinions of the Board of Directors in said meeting agenda.

TISCO conducted the 2020 Annual General Meeting on June 26, 2020 amid the backdrop of the coronavirus (COVID-19) pandemic. Attendees were made to strictly comply with regulations, guidelines, and recommendations from TISCO, the government, and related health institutions, in order to reduce transmission risk. These included a one-meter social distancing guideline and check-in and check-out through the Thai Chana platform. TISCO disclosed the Agenda of the meeting via the Stock Exchange of Thailand's information dissemination channel on May 21, 2020, disclosed the Notice of the shareholder meeting in both Thai and English through the Stock Exchange of Thailand's information dissemination channel and its website on May 26, 2020 and sent the Notice of the shareholder meeting and the meeting materials to shareholders on June 11, 2020, or 15 days before the date of the shareholders meeting. Note that this did not affect the assessment of the Corporate Governance Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association (IOD) because the IOD permits consideration of some related criteria scoring in the non-applicable form for listed companies affected by the COVID-19 situation.

- Meeting attendance

To protect shareholders' rights to attend the meeting and ensure equitable treatment for shareholders, TISCO assigned officers to check that shareholder or proxy documents are in accordance with the requirements stated in the notice. Moreover, TISCO allowed enough time for any shareholder to register to attend the meeting in advance of the meeting time. TISCO utilized a computer and barcode system for registration and printing of voting forms for each agenda item to facilitate shareholder participation and ensure prompt and accurate registration for vote counting. Shareholders were able to register to attend and exercise their voting rights on agenda items for which they have not voted for in advance once the meeting commenced. For shareholders unable to attend the meeting and who would like to appoint a proxy, TISCO presented independent director profiles for shareholder selection as proxy, while also allowing management, directors or any other person to attend the meeting on their behalf. TISCO attached Proxy Form B, which allows shareholders to specify their voting decision with the notice. Moreover, shareholders could cast their votes

in advance on the Voting Form sent out with the Notice of shareholders meeting. The shareholders can also download other types of proxy forms and Voting Forms from the Company's website.

For the 2020 Annual General Meeting, the Company proposed three independent directors, Chairman of the Board of Directors, Chairperson of the Audit Committee, and Chairperson of the Nomination and Compensation Committee, and included their profiles for shareholders to appoint as a proxy.

- Shareholder opportunity for queries and comments

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

For the 2020 Annual General Meeting under the COVID-19 pandemic, there were 10 out of 12 members of the Board of Directors in attendance (83.3333 per cent). TISCO Management Committee members, auditors and representatives from the Bank of Thailand also observed the meeting.

- Conduct of the meeting and voting

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

The 2020 Annual General Meeting was conducted according to the Company's Articles of Association with no additional agenda items, no changes to the agenda order, and no changes in important information without prior notification to shareholders. In addition, the Company assigned DIA Audit Company Limited to ensure that the meeting was conducted with clarity and transparency and in accordance with laws and the Company's Articles of Association. Representatives of DIA Audit Company Limited observed the registration and vote counting throughout the meeting.

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

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

For the 2020 Annual General Meeting held on June 26, 2020, the Company reported the shareholders' meeting resolutions through the SET's information dissemination channel on the same day of the meeting and disclosed the minutes of the meetings on July 10 2020, in compliance with the above-mentioned timeframe.

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

Directors, Top Management or top four management whose ranks are below the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must report their securities holdings or change(s) of such or derivatives in TISCO, as well as those of their spouses, cohabitants, and any minor children, to the Office of Securities and Exchange Commission. This report on securities holdings must be filed within 30 days of the date of appointment and within 3 working days of the date of the change. Directors must also notify the Board via the Audit Committee of their shareholdings at the end of each quarter. The Audit Committee reports the director shareholdings and activities report to the Board for acknowledgement under the Audit Committee's activities.

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

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

2. Interest of Stakeholders

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

These stakeholders include TISCO's shareholders, employees, customers, business partners, creditors, competitors, and society at large.

1. Shareholders

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

2. Employees

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

3. Customers

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

4. Business Partners and Creditors

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

5. Competitors

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

6. Social

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

7. Environment

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

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

Whistleblowing Policy

Reflecting its organizational commitment to transparency and fairness to all groups of stakeholders, TISCO Group has formulated a Whistleblowing Policy which has been approved by the Board of Directors. The stipulations given therein include the Process for Accepting and Handling the Report of Improper Activities and availability of Reporting Channels for both employees and external parties. The policy is formulated to fairly treat all involved parties and encourage them to raise any serious concerns they may have about management instances of unethical behavior, actual or suspected, fraud, wrongdoing, malpractice or violation of the laws and regulations, including but not limited to misconduct.

TISCO Group provides avenues for all stakeholders to raise concerns, complaints or to report any improper activities which include but are not limited to infringement of the Business Code of Ethics.

Complaints or reports of improper activities can be filed by sending a letter to the Chairman of Audit Committee or Compliance Function at 48/49 TISCO Tower, North Sathorn Road, Silom sub-district, Bangrak district, Bangkok 10500. The availability of reporting channels is publicized through the corporate website of the Company.

TISCO Group provides a channel for employees to complain or raise concerns related to improper activities through the HR Help Line which has been thoroughly communicated via the organizational intranet. The process for dealing with complaints from employees through the HR Help Line includes consideration and investigation into whether the complaint concerns a wrongful act. Any actions, which reveal wrongdoing, unethical behavior, or violations of Code of Conduct by any employees will be processed according to disciplinary guidelines.

TISCO has measures to protect the rights of information providers and provides necessary safeguards for the protection of employees from reprisals or victimization. In 2020, no significant complaint or ethical issue was noted.

Complaint Channels

- Channel 1** Complaints can be submitted at TISCO Bank's Head Office or branches directly to officers or by filling out a form and submitting it to officers.
- Channel 2** Mail to the address below:
Chairperson of the Audit Committee or Compliance Department
TISCO Financial Group Public Company Limited
TISCO Tower, 21st Floor, 48/49 North Sathorn Road, Silom, Bangrak, Bangkok, 10500
- Channel 3** Call TISCO Contact Center at 0 2633 6000 or fax complaint to 0 2633 6800
- Channel 4** Post complaint on TISCO's website
- Channel 5** TISCO HR Help Line for employees

3. Disclosure and Transparency

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

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

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

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

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

The Company has assigned its Corporate Secretariat Office and Investor Relations Function to represent the Company in communications with shareholders, investors, analysts, credit rating agencies and related regulatory bodies. The Company's information is publicly disseminated for easy access to interested parties through various channels, including reports submitted to the SET, the SEC, and the Company's website under "Investor Relations". Furthermore, TISCO has set up numerous activities which provide updates on the Company's information as well as responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-One meetings and Investor meetings, both local and international. The mentioned activities are participated in by senior management. Activities arranged in 2020 were as follows:

1. 4 Quarterly Analyst Meetings with approximately 60 persons attending each meeting
2. 1 SET Opportunity Day event, arranged by the Stock Exchange of Thailand, with approximately 30 analysts and investors attending the meeting
3. 2 Company Visits (reduced due to the COVID-19 situation) and 31 conference calls with investors and equity analysts, both local and foreign
4. Meetings with investors, both local and foreign, were changed to Virtual Conferences in accordance with the Social Distancing guidelines outlined by the Securities Company; there were a total of 21 meetings, covering 211 investors in attendance.

For more information, please contact Investor Relations at:

Address : TISCO Tower Floor 7, 48/49 North Sathorn Road, Bangrak, Bangkok, 10500
Telephone : 0 2633 6868
Fax : 0 2633 6855
Email : ir@tisco.co.th
Website : www.tisco.co.th

Directors and management shall file with the Company a report of their Securities Holdings in the Company and Report on their Conflicts of Interest.

4. Responsibilities of the Board

The Board of Directors is appointed by the shareholders to take overall responsibility for TISCO. These responsibilities include directing, approving, and overseeing the implementation of Group strategy, corporate governance and corporate values. The Board is responsible for selection of a qualified Group CEO and key senior management, including oversight of the succession plan. It is also responsible for oversight of the Group CEO and senior management and bears ultimate responsibility for TISCO's business, risk strategy, and financial soundness as well as how TISCO organizes and governs itself. *(See Roles and Responsibilities of the director positions mentioned above in Part 8: Management Structure)*

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

4.1 Board Structure

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

Board members are selected on the basis of, among other things, knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, understanding of TISCO Group's business environment, and alignment with TISCO Group's strategy. TISCO has clearly established a proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors,

non-executive directors, directors who are part of management, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. In addition, term of office for TISCO's directors is one year as specified in the Articles of Association, whereby the whole Board of Directors shall be simultaneously elected at the annual general meeting each year. Note that the former Board of Directors shall remain in office to conduct the business of the Company as necessary until the new Board of Directors takes office.

Recognizing the importance of their roles and to be in compliance with the Bank of Thailand regulations, directors, managers and persons with controlling power are allowed to assume the position of Chairman, executive director, or director with signatory authority in no more than three listed companies and are allowed to hold directorship or management roles or serve as an authorized person or advisor who possesses director duties within five locally and internationally listed companies, excluding listed companies from debt restructuring. Directors and management should avoid other positions or jobs that may lead to conflicts of interest with the Company.

In achieving transparency and the proper balance of power, the Chairman of the Board shall be independent directors and/or non-executive directors. In addition, the Chairman of the Board shall not be a member in any other committees. This is to ensure the independent views of the committees. The Chairperson of the Audit Committee must not be Chairman of the Board, Nomination and Compensation Committee and/or Risk Oversight Committee. Moreover, the Board must clearly separate its roles and responsibilities from those of management to ensure a proper balance of power and avoid a situation whereby a single individual has absolute power in decision making. For example, the Chairman of the Board and top management shall not be the same person, and their roles and responsibilities must be clearly separated.

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

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

Moreover, to be in compliance with the Securities and Exchange Act B.E. 2535, the Company has assigned Committees and authorized persons in management (according to the Financial Institution Operation Act, B.E. 2551) to compile reports on their own interests and any involved persons to the Corporate Secretary. Once any changes to the information are made, the Corporate Secretary is responsible for reporting any conflict of interest to the Chairman of the Board and Chairperson of the Audit Committee.

The Board of Directors contributes in two roles: operations and corporate governance. Priority is given to the Company's strategy, including monitoring and controlling the Company's operations to ensure key policies are sufficiently and effectively carried out and in accordance with the applicable laws and regulations.

(1) Operations Role – The Board as Strategy and Policy Maker

The Board oversees the development of a long-term strategic plan, which reflects the Board's general business philosophy and vision for the future of TISCO Group. Short-term business plans should outline specific and measurable targets which management adheres to and which are evaluated at regular intervals. Any significant departures from such plans should be carefully considered and approved well in advance of their implementation. The planning process should also include alternative strategies to meet unanticipated operational contingencies as they occur, avoiding unnecessary risk.

The Board shall establish strict operational policies designed to regulate personnel administration, financial disclosure, auditing and investments. These must be consistent with the institution's long-term and short-term strategic plans to ensure that the company operates its business as assigned. By approving the implementation of such policies and procedures developed by management, the Board defines what practices are

acceptable and in line with the overall business philosophy of the institution. Policies should be devised to assist the institution's management in determining what actions to take in various situations, limiting unnecessary errors resulting from ill-informed judgment.

All major activities of TISCO Group are to be regulated by policy. Policies should hence be flexible. When required, they should be extended to cover new or improved practices and adapted to changing business conditions. Having clearly written policies prevents miscommunication. In an increasingly competitive financial services market, there is no place for avoidable errors due to miscommunication of policy. Newly introduced activities should not be undertaken without proper implementation of policy. The Board should specify appropriate procedures for monitoring and reporting risk activity.

In implementing policies, clear standards of performance should be communicated through all levels in TISCO Group, providing a single, authoritative source of reference. The Board should establish the norm of periodically reviewing policies and revising such policies as necessary to ensure that they remain consistent with the institution's long and short term strategic plans.

TISCO emphasizes effective operations under good corporate governance; related party transactions or transactions that may cause conflicts of interest are generally discouraged across TISCO Group. The Audit Committee shall thoroughly review and report and/or propose such transactions to the Board for approval, on a case-by-case basis. TISCO will consider the mentioned transactions as normal business transactions - those which may be within the scope of conflict of interest shall be disqualified from approval.

(2) Corporate Governance Role – Board Oversight

Although the Board delegates a substantial part of its administrative function, including day-to-day operations, to a full-time management team, in fulfilling its compliance roles it is responsible for monitoring the company's operations. The Board must be continually aware of the institution's operating environment. Directors are to be well informed of internal and external factors affecting the institution, including business environment and legal and regulatory frameworks. Directors should also be aware of the potential liabilities imposed on them by laws or regulations and ensure that TISCO Group has appropriate policies and procedures in place to maintain compliance. Directors should also be aware and keep themselves updated on local, regional, national, and international financial trends and any statutory and/or regulatory changes affecting TISCO Group.

Management shall present reports to the Board on status and operating results, including financial information, loan risk management, liquidity, market trends, investment, assets and debts, and legal and regulatory compliance as these are vital in ensuring the Board can properly oversee the company's operations. The Board shall review those reports and information with due care in order to be aware of signals such as regression in operating results, increasing risks, management abuse of power, internal control issues, breach of laws and regulations, and other matters affecting reliability and accuracy of reports.

The Board should be regularly provided with management reports and briefed on the business environment, market trends, industry benchmarks, regulatory changes and macro-economic indicators. Management should promptly alert the Board to any competitive threats, business opportunities, changes within the industry, and political procedures that may impact the institution, as well as information which would assist the Board in strategic planning, setting policy, or monitoring operations or business performance. The Board may also request TISCO Group's counsel periodically review statutory and regulatory provisions and brief the Board on legal developments relevant to TISCO Group's activities.

The Board should ensure that management has identified potential risks and established an adequate risk management process to assist in identification, measurement, monitoring and control of various categories of risk commonly encountered by financial institutions. It is the responsibility of the Board to approve and periodically review the risk management strategies ultimately implemented by senior management

TISCO Group must comply with a large number of regulatory requirements, including various reporting obligations. It is the responsibility of the Board to establish and maintain rigorous internal controls to ensure that the company complies with all relevant laws and regulations and to highlight potential or actual breaches, if and when they occur. The Board and senior management must consistently demonstrate through their actions and behavior that they have a strong commitment to implement effective compliance control throughout the institution.

4.2 Board Performance Self-assessment

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

Said assessment is essential to ensure the appropriateness of the Board's composition and Board performance, in accordance with corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider application in accordance with the Company's business environment and operations. In 2019, the Nomination and Compensation Committee divided the self-assessment into two forms: whole and individual self-assessment and a cross-assessment. Approval was granted by the Board of Directors.

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

1. The Board of Director Performance Self-assessment as a whole, comparing compliance with best practices and efficiency in:
 - a) Board Policy
 - b) Board Performance
 - c) Board Structure
 - d) Board Style
 - e) Board Meetings
 - f) Board Members
2. The Director's Individual Self-Assessment and Cross-Assessment
 - a) Board Structure and Qualifications
 - b) Board Meeting
 - c) Roles, Duties and Responsibilities of the Board

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

The Nomination and Compensation Committee, as proposed by the Corporate Secretariat Office, reported the assessment results to the Board for acknowledgement, discussion, and recommendations for improved efficiency at the Board of Directors' Meeting No. 1/2021 held on February 24, 2021.

Results for 2020 indicated that Board Performance, Board Structure, Board Members, Board Policy, Board Performance and Board Meetings were up to best practice standards. As for efficiency, almost all board members were rated "Excellent" or "Satisfactory" for effective ratings in all six areas of assessment.

As for the Self-Assessment and Cross-Assessment, "Excellent" or "Satisfactory" ratings were given for the topics of knowledge and experience of board members and useful comments were given during the meeting for further improvement.

In 2020, the Board of Directors also formulated performance self-assessments for all sub-committees, specifically the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee. The self-assessments are conducted annually and the results were presented at the

Board of Directors' Meeting No. 1/2021 held on February 24, 2021. In addition, the 2020 performance self-assessments of each committee are disclosed as part of the committees' reports in the Annual Registration Statements (Form 56-1) and the Annual Report.

Recognizing the importance of transparency in determination of a Director's independence and to provide greater clarity for the benefit of shareholders and stakeholders, the Board reviewed and approved the **Policy on Assessing the Independence of Directors** on August 21, 2020, in order to make determinations for all independent directors annually, in addition to those whose term of service as independent director falls under the 9-year presumption of non-independence. Each Independent Director was evaluated by every director. Assessments were kept and compiled secretly by the Company Secretary to prevent conflicts of interest and were proposed to and considered by the Nomination and Compensation Committee. The assessment of the independence of six independent directors, namely Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjriyat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom, revealed that their independence is still effective.

4.3 Remuneration

To ensure transparency and propriety of duties, the Board of Directors assigns the Nomination and Compensation Committee to formulate director remuneration policies with transparent criteria. Director remuneration shall be commensurate with duties and responsibilities. Directors who are assigned extra work shall receive appropriate remuneration for special assignments. The Committee shall propose the remuneration to the Board Meeting and shareholders' meeting for approval. Remuneration for directors should be comparable to general practice in the industry with regard given to work experience, expertise, commitment, as well as the contributions or benefits each director brings. Such criteria should help avoid excessive payment.

4.4 Board and Management Training

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

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

Each director has already completed programs related to the roles and responsibilities of directors. Ten out of twelve (83.33 per cent) of the members of the Board of Directors attended training programs and seminars to enhance knowledge and skills in 2020. Details are as follows:

Name	Training Program
1. Mr. Pliu Mangkornkanok	<p>Public Training</p> <ul style="list-style-type: none"> • Cyber Resilience, Bank of Thailand <p>In-house Training</p> <ul style="list-style-type: none"> • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
2. Mr. Suthas Ruangmanamongkol	<p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
3. Associate Prof. Dr. Angkarat Priebjriyat	<p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd.

Name	Training Program
	<ul style="list-style-type: none"> • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
4. Prof. Dr. Pranee Tinakorn	<p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
5. Prof. Dr. Teerana Bhongmakapat	<p>In-house Training</p> <ul style="list-style-type: none"> • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
6. Mr. Sathit Aungmanee	<p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
7. Dr. Charatpong Chotigavanich	<p>Public Training</p> <ul style="list-style-type: none"> • Corporate Strategy beyond the Crisis, a Chairman/Board Perspective, Thai Institute of Directors <p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
8. Dr. Kulpatra Sirodom	<p>Public Training</p> <ul style="list-style-type: none"> • Cyber Resilience, Bank of Thailand <p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
9. Mr. Satoshi Yoshitake	<p>In-house Training</p> <ul style="list-style-type: none"> • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.
10. Mr. Sakchai Peechapat	<p>Public Training</p> <ul style="list-style-type: none"> • Innovating from Necessity: The Digital Business Building Imperative in the Current Crisis, Thai Institute of Directors • Super Thailand Insurance Leadership Program, Class 1 Office of Insurance Commission (OIC) <p>In-house Training</p> <ul style="list-style-type: none"> • Corporate Sustainability Development, SBDI Co., Ltd. • IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd. • Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain & Company, Inc.

In addition, board members and top management attended other training programs and seminars in 2020, as presented in Attachment 1.

4.5 Group Chief Executive Performance Assessment

The Board of Directors assigns the Nomination and Compensation Committee to prepare and recommend the Group Chief Executive Performance Assessment Guidelines for the Board's approval. The Nomination and Compensation Committee shall arrange the meeting(s) between the Board and management in absence of the Top Management at least once a year prior to his/her annual performance assessment. The Nomination and Compensation Committee then reports the assessment result to the Board Meeting. The assessment shall be divided into two parts: Financial KPI and Non-Financial KPI. The KPIs set are in alignment with the Company Vision Mission and short-term, mid-term, and long-term goals of the Company with consideration for the business situation and environment.

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

4.6 Succession Planning

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

5. Integrity and Ethics

A reputation for integrity has been a cornerstone of TISCO's business since its inception. This reputation instills confidence in all stakeholders that TISCO and its employees are performing and behaving consistently with the highest standards. The Company is guided by the values of compassion, dependability, honesty, loyalty, maturity, objectivity, respect, trust, and professionalism. Integrity is TISCO's fundamental requirement in choosing and retaining its employees.

The members of the Board of Directors and employees of TISCO, including the Group CEO and senior management, strive to maintain the highest standards of ethical conduct, including:

- a) Compliance with applicable laws and regulations.
- b) Conflicts of interest must be declared and appropriate arrangements made to ensure that those with a material interest are not involved in the decision-making process.
- c) Improper payments of any kind are prohibited; similarly, no gift whose value is material and which may be interpreted as a form of inducement should be accepted or offered by TISCO's employees.
- d) Ethical issues must be dealt with in an efficient and transparent manner.

9.2 Other Committees

To optimize the efficiency of its corporate governance and maintain a high performance standard, the Board of Directors delegates committees to take on tasks that require detailed review or in-depth consideration. Such committees, including the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee, and others as necessary, are entitled to make decisions on behalf of the Board of Directors or submit recommendations for consideration, depending on the committee's specific charter. The structure of each committee shall be determined by the size of business, scope of operation, composition of the committee, experience and expertise of each director, and compliance with the Principles of

Good Corporate Governance. The scope of authority given to other committees shall exclude approval for conducting transactions in which a committee member has or may have a conflict of interest.

The Board of Directors is accountable for clearly defining and separating the roles and responsibilities of the Board of Directors, the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee as detailed below. *(Details of Management Structure are described under Section 8)*

The Executive Board is authorized to act in operational matters that require in-depth consideration of policy, propose business strategy and recommendations to the Board on matters of budget allocation, procedural issues, and human resources and administrative issues, which include compliance policy, law, regulation, and business ethics. The Executive Board also handles matters that in ordinary circumstances would require Board review, but due to a particular circumstance need immediate attention. This is usually relevant to urgent matters, which arise during the period between full Board Meetings. The Executive Board may also appoint and supervise other committees for specific operations in order to improve TISCO Group's efficiency.

The subsidiary companies may set up their own Executive Board Committees in accordance with regulatory requirements under the Guidelines on Consolidated Supervision of the Bank of Thailand, to ensure adoption and implementation of responsibilities as defined by the TISCO Executive Board Committee.

The Executive Board consists of four Executives Directors appointed by the Board, namely Mr. Suthas Ruangmanamongkol as the Chairman of the Executive Board, Mr. Chi - Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechatat.

The Risk Oversight Committee is responsible for overseeing the effectiveness of risk management practices while ensuring the risk management strategies and action plans are in line with approved risk management policies, strategies and appetite.

The subsidiary companies may set up their own Risk Oversight Committees in accordance with regulatory requirements. To ensure adoption and implementation of responsibilities as defined by the TISCO Risk Oversight Committee, the Risk Oversight Committees of the Bank, where applicable, must report to the TISCO Risk Oversight Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The Risk Oversight Committee consists of four Directors appointed by the Board, namely Prof. Dr. Teerana Bhongmakapat as the Chairman of the Risk Oversight Committee, Dr. Charatpong Chotigavanich, Mr. Sakchai Peechatat and Mr. Chatri Chandrangam.

The Audit Committee provides independent oversight and review of financial reports, internal controls, and audit matters related to TISCO Group business activities. It also ensures transparency and completeness of disclosure and is responsible for ensuring independent checks and balances to produce financial statements that are fair in presentation and to make timely disclosures to investors. The Audit Committee engages as an independent auditor of TISCO to audit the financial statements prepared by management and to issue an opinion on whether such statements are fairly stated in accordance with recognized accounting principles, as well as to oversee the relationship with the external auditor.

The subsidiary companies may set up their own Audit Committees in accordance with regulatory requirements. To ensure adoption and implementation of responsibilities as defined by the TISCO Audit Committee, the Audit Committees of the Bank, where applicable, must report to the TISCO Audit Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The Audit Committee consists of three Independent Directors appointed by the Board, namely Associate Prof. Angkarat Priebjivat as the Chairperson of the Audit Committee, and Mr. Sathit Aungmanee and Dr. Kulpatra Sirodom as members. All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements. *(See Attachment 1 Details of Director, Management, control persons, and Company Secretary)*

The Nomination and Compensation Committee is charged with the responsibility of overseeing directors and the Top Management nominating policies and criteria of TISCO Group, including identifying qualified candidates for directorships, Chairman and Vice Chairman of the Board, Chief Executive Officer ("CEO"), subcommittees,

and senior management (i.e. MC and one further level down) to the Board and/or committees whose functions, responsibilities and authorities are directly given by the Board. It nominates candidates for the Board and CEO/President of subsidiary companies, which are directly supervised by financial and capital market regulators, and submits them for acknowledgement by TISCO's Board. These subsidiaries are TISCO Bank, TISCO Securities and TISCO Asset Management. TISCO's Nomination and Compensation Committee adopts and oversees the implementation of selection and compensation policies for the Board and management. It also establishes goals for performance-based compensation and determines the compensation of the Group CEO and senior management to create long-term value for the company.

The Nomination and Compensation Committee consists of four Directors appointed by the Board, namely Prof. Dr. Pranee Tinakorn as the Chairperson of the Nomination and Compensation Committee, and Mr. Hon Kit Shing (Alexander H. Shing), Mr. Sathit Aungmanee and Dr. Kulpatra Sirodom as members.

The Corporate Governance Committee establishes Corporate Governance Policy and Code of Conduct including communication to directors, management, and employees, oversees the practices of the Board of Directors, Board committees, and ensures management is in compliance with the Corporate Governance Policy, Code of Conduct, and related laws and regulations.

The Corporate Governance Committee consists of three Directors appointed by the Board, namely Prof. Dr. Teerana Bhongmakapat as the Chairman of the Corporate Governance Committee, and Prof. Dr. Pranee Tinakorn and Dr. Charatpong Chotigavanich as members.

Specific-Area Committees of TISCO Financial Group

- The TISCO Management Committee comprises senior management of key business and control areas of TISCO Group appointed by the Nomination and Compensation Committee with proposal from the Group CEO and ratification by the Board of Directors. The Management Committee is responsible for formulating TISCO Group's business strategy, financial goals, business plan, and annual budget, and to ensure that operations are in accordance with the strategies and business plan and comply with Corporate Governance Policy and related regulations.
- The TISCO Risk Management Committee comprises senior management of key business and control areas of TISCO Group. The committee is appointed by the Group CEO to determine overall risk management policies, risk limits, and strategies of the Group. TISCO's Risk Management Committee proposes risk management policies and strategies, as well as reports risk monitoring results to the TISCO Executive Board and TISCO Board regularly.
- The Compliance and Operation Control Committee is appointed by the Group CEO to review operational productivity, risks, and control activities, and to ensure an optimal level of operations that promote both operating efficiency and adequate risk control. The TISCO Compliance & Operation Control Committee ensures that TISCO complies with related laws and regulations and that internal controls across TISCO Group are effective, and reviews and determines mitigation plans and actions in response to significant operational risk incidents.
- The IT Risk Management Committee is appointed by the Group CEO to determine IT Risk Management Policies as an integral part of the Enterprise Risk Management Policy of TISCO Group. The committee ensures compliance in IT processes with related laws and regulations and the IT Risk Management Policies. The committee promotes effective IT risk management processes across TISCO Group and oversees, monitors, and controls IT risk management activities and key risk indicators, as well as key IT strategies and projects from a risk perspective.
- The Technology and Infrastructure Committee is appointed by the Group CEO to determine IT strategies and platforms for the Group. It also ensures smooth and effective central IT and operating infrastructure, including core servers, application architecture, MIS, and building and office-related infrastructure and equipment. In addition, the committee reviews IT capital expenditure and ensures sound IT and infrastructure security policy within TISCO Group.

- The TISCO Human Resources Committee is appointed by the Group CEO to review and determine organization structure and job structure, human resources policies and guidelines, succession and talent management, performance evaluation, job promotions and remuneration of TISCO Group.

Specific-Area Committees of TISCO Bank and other subsidiaries

- The Risk Management Committee of TISCO Bank is responsible for controlling and monitoring the adoption of TISCO Financial Group's risk management policy to ensure effective management of the bank's various business units. The TISCO Bank Risk Management Committee reports to the TISCO Risk Management Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The Enterprise Risk Management and Risk Research functions support the committee in assessing and monitoring bank risks at the portfolio level, under the guidelines and limits approved by the Risk Management Committee. It regularly reports on risk positions to the Risk Management Committee and relevant business lines and performs risks analyses of new businesses.

- The Credit Committee of TISCO Bank and other credit-granting subsidiaries and the Problem Loan Committee of TISCO Bank are responsible for setting up credit granting criteria and controlling loan approval procedures at the transaction level to ensure comprehensive monitoring and control of credit risk. The Credit Control business line supports the committees in assessing and controlling the credit approval process of each transaction. In addition, the Credit Review function regularly reviews compliance with the credit approval guidelines and procedures.
- The Problem Loan Committee of TISCO Bank ensures adoption and implementation of problem loan and provisioning policies and strategies. It is also responsible for effective implementation of policies, guidelines and control procedures for review, handling and monitoring of problem loan accounts in compliance with TISCO Group policies and guidelines. The Problem Loan Committee report problem loans, provisioning activities and all significant issues to the TISCO Executive Board and to the TISCO Risk Management Committee on a regular basis.

9.3 Directors and Management Selection Guidelines

9.3.1 Director and Independent Director Nomination

The Nomination and Compensation Committee shall, upon considering the Group's needs and good corporate governance, identify and propose qualified nominees with knowledge, expertise, and experience in accordance with TISCO Group's strategy, and sufficient understanding of banking and finance, including securities, economics, law, information technology or any other fields deemed appropriate to the Board's structure so as to ensure a variety of opinions in the Board. This includes diverse board composition in terms of age, sex, knowledge, expertise, experience, and other key qualifications in order to generate a healthy range of opinions and judgments on business matters. Number of Independent Directors is set to be more than Non-Executives while the number of directors nominated by each major shareholder shall be in accordance with the shareholding proportion for the appropriate balance of power and authority. The Nomination and Compensation Committee shall consider recommendations from minority shareholders on the nomination of directors or independent directors, in accordance with the Company's criteria as specified under Section 9.1.

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

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

- (1) Each shareholder shall have a number of votes equal to the number of shares multiplied by the number of directors to be elected.
 - (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person, at any number.
 - (3) The candidates shall be ranked in descending order from the highest number of votes received to the lowest and shall be elected as directors in that order until all of the director positions are filled. In case the number of votes for candidates would result in a tie or cause the number of directors to exceed the limit, the remaining elections shall be made by drawing lots.
3. At the general meeting of shareholders of each calendar year, the whole Board of Directors shall be simultaneously elected. However, the former Board of Directors shall remain in office to conduct the business of the company, as necessary, until the new Board takes office. Retired directors are eligible for re-election.
 4. A director can be elected or removed only by the shareholders at a general meeting. A Board vacancy occurring for any reason other than rotation or retirement may be filled by the remaining directors, unless the term of the original director is less than two months. For the purposes thereof, the resolution of the appointment of new directors shall be valid with a vote of not less than three-fourths of the number of remaining directors. However, any person so appointed shall hold office only for the remainder of the term of the director to whom he has succeeded. Likewise, if a general meeting of the shareholders removes a director, and appoints another person in his place, the person so appointed shall hold office only for the remainder of the term of the director so removed.
 5. A general meeting of shareholders may resolve to remove a director before expiration of office with a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the right to vote. Such a motion must also represent an agreed number of shares equal to or not less than half of the total shares held by the shareholders who attend the meeting and have the right to vote.

In terms of balance of power, it was determined to be in the Group's interest to have more non-executive directors than executive directors whereby directors who are representative of shareholders shall be determined based on the proportion of their shareholding.

9.3.2 Management Selection

The Nomination and Compensation Committee shall identify and propose qualified nominees with necessary expertise to be appointed as Top Management to the Board. The prerequisites for selection should generally include consideration of the candidates' character, technical competence, and employment experience in the financial services field. Successful candidates should share the board's operating philosophy and vision of the Company's future in order to ensure that the institution's goals are met. It is important that mutual trust and a close working relationship are established. The Nomination and Compensation Committee shall recommend qualified candidates to the Board of Directors for approval.

For other senior executive positions, Top Management shall identify and propose qualified nominees for the Nomination and Compensation Committee's consideration and further recommend them to the Executive Board for approval.

9.3.3 Qualifications of Independent Directors

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

- (1) Holding shares not exceeding 0.50 per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
- (2) Neither being nor having been a non-independent Director of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have a conflict of interest within the last two (2) years.
- (3) Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, or juristic person who may have conflicts of interest within the last two (2) years.
- (4) Not being a person related by blood or registration under laws, (such as father, mother, spouse, sibling, and child, including spouse of the children) of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
- (5) Not having a business relationship as specified by the Capital Market Supervisory Board with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in a manner which may interfere with independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest within the last two (2) years.
- (6) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest within the last two (2) years.
- (7) Neither being nor having been any professional advisor, including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor within the last two (2) years.
- (8) Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
- (9) Not undertaking any business in the same nature or in competition with the business of the Company or its subsidiary companies or being a significant partner in a partnership or an executive director, employee, staff, advisor who receives salary or holds shares exceeding one percent of the total number of shares with voting rights in another company which undertakes business of the same nature or in competition with the business of the Company or its subsidiary companies.
- (10) Not being an independent director for more than 9 (nine) consecutive years in TISCO or its subsidiaries. This excludes those who were appointed as Independent Directors before 23 June 2018; such directors can be Independent Directors for more than 9 (nine) years, effective until 1 May 2022.
- (11) Not having business or taking part in management or benefiting from the financial institution or having any characteristics which make him/her incapable of expressing independent opinions, decisions, or voting with regard to the Company's business affairs.

9.3.4 Direct or Indirect Business Relationship or Being a Provider of Any Professional Service by an Independent Director Over the Past Accounting Period¹

- None -

¹ According to the Notification of Capital Market Supervisory Board No. Tor Chor 4/2009, Application for and Approval of Offer for Sale of Newly Issued Shares (No.2)

9.4 Corporate Governance of Subsidiary Companies and Joint Companies

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

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

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

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

In addition, the Company has assigned certain Management Committees and management supervising functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded such management to the same subsidiary companies for the same responsibilities on a full-time basis. This is to ensure that they devote their time to effectively managing subsidiary companies under the TISCO Group strategy and plan approved by the Board of Directors.

To ensure coherent adoption of corporate governance across all subsidiary companies in TISCO Group², the roles and responsibilities of the Directors and the Management who the Company has seconded to manage the subsidiary companies have been clearly set. Follow-up procedures are set for subsidiaries to ensure prompt disclosure of any important information, in accordance with relevant laws and regulations, and to ensure that the subsidiaries are sufficient and appropriate for the internal control system, including ensuring Directors and Management fulfill their duties and responsibilities in accordance with the governing laws and regulations. As stated, the Board of Directors has delegated its monitoring and supervising roles to certain Management and sub-committees. Details on the scope of authorities, duties and responsibilities of Sub-Committees are shown in subtopic 8.1 and 9.2. For subsidiary companies' related party transactions with related parties, significant acquisitions or dispositions of assets, or other significant transactions of subsidiary companies, i.e. termination of subsidiary companies,

² According to the Notification of Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares

capital share increase or reduction, approval must be sought from the Board of Directors or at the Shareholder Meetings prior to conducting such transactions. The Company strictly follows the regulations of the Stock Exchange of Thailand, Notifications of the Securities and Exchange Commission, and relevant Notifications of the Capital Market Supervisory Board regarding any related party transactions and any transactions that may cause conflicts of interest.

9.5 Control of Internal Information

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

With respect to TISCO Group's regulations governing employee securities trading, the Group requires that management and employees open trading accounts only with TISCO Securities, its subsidiary. In this regard, employees must report transactions to the Compliance function. Furthermore, the Group prohibits senior management and insiders from trading the Company's shares within seven working days of the last day of the month until two days after the Company's monthly financial statements or concise assets and liabilities statement are published. A Director privy to important information about TISCO that has not been disclosed to the public must keep such information confidential. It is a violation of the law to purchase or sell TISCO stock on the basis of such important non-public information. Directors may not do so and may not provide such information to others for that or any other purpose. Directors shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of TISCO, except when disclosure is authorized or legally mandated. Directors shall disclose to TISCO the securities trading accounts of themselves and their related persons for the purpose of monitoring and preventing the use of non-public information. Directors shall notify the Corporate Secretary at least one day before dealing in any TISCO shares, in accordance with the Corporate Governance Policy.

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

9.6 Auditor's Fee

9.6.1 Audit Fee

Audit fee paid to EY Office Limited for the Company and its subsidiaries for 2020 amounted to Baht 10,530,000, increased 4.9% or Baht 490,000 year on year, mainly due to implementation of new accounting standards and related regulations, inflation, and the increase in transactions from expansion in number of branches, and new businesses in Hi-Way Co Ltd. Meanwhile, the audit fee of TISCO Investment Advisory was decreased as the company was dissolved in 2020.

9.6.2 Non-Audit Fee

There is no non-financial audit fee for 2020.

9.7 Implementation of the 2017 Corporate Governance Code for Listed Companies

The Company reviews the Corporate Governance Policy at least once a year through the Corporate Governance Committee. The Company adopted most principles and proposed them to the Board of Directors at Meeting No.6/2020 for acknowledgement. As of October 29, 2020, the Company is in the process of reviewing the Corporate Governance Policy to be in alignment with the 2017 Corporate Governance Code ("CG Code") for Listed Companies as prescribed by the Office of Securities and Exchange Commission and the Banking Industry Code of Conduct set by the Thai Banker's Association. Having assessed TISCO Group's compliance with the CG Code in detail and comparison with the TISCO CG Policy and actions, it was determined that TISCO Group has a policy, measures, and work processes that align with the CG Code guidelines. In addition, TISCO Group's CG system is developed to suit its business growth and the trends among international leading companies. The Board has also received some CG Code guidelines which are in the process of being applied to the Company, as seen below.

CG Code Guidelines	Explanation
1. The company should appoint an external consultant to set guidelines and provide recommendations for a board assessment at least once every three (3) years. This information should be disclosed in the Annual Report.	The Board of Directors agreed with the Corporate Governance Committee that the current assessment TISCO performs is appropriate. However, an external advisor could still be used in the future.
2. The Board should establish a policy that the tenure of an independent director should not exceed a cumulative term of nine (9) years from the first day of service. Upon completing nine years, an independent director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.	The Nomination and Compensation Committee as delegated by The Board of Directors has set up a Policy on Assessing the Independence of Directors whose tenure has exceeded nine years. The Board will announce a policy limiting the tenure of an independent director to not exceed a cumulative term of nine (9) years after May 1, 2022, in accordance with the Corporate Governance of Financial Institutions announcement from the Bank of Thailand.

9.8 Comparison of Information Adjustment from the Bank of Thailand, the Securities and Exchange Commission of Thailand and the Office of Insurance Commission.

- None -

10. Social Responsibility

Sustainable Business Practices

Throughout the five decades of our existence, TISCO Group has been committed to conducting business in a sustainable manner. We have incorporated the sustainability principle into our business to balance our management across environmental, social and governance (ESG) dimensions. The group's sustainability management is not only limited to our own corporate existence but also covers the sustainability of the banking sector and our rapidly changing world. The sustainability strategy encompasses four areas, namely economic, governance, social and environmental, which are integrated into our operation to clearly reflect our missions. We conduct business with responsibility to all stakeholders under the principle of corporate governance while adding value to society and the environment. For our sustainable banking journey, we have come up with a sustainability framework, which is implemented as a guideline to determine sustainability actions that respond to the priorities of each group of stakeholders. The framework has been approved by senior executives and incorporated as part of our mission. We also aspire to be part of the force working to achieve the UN's Sustainable Development Goals (SDGs).

This sustainability framework has been translated into a three-year sustainability roadmap already approved by the management. The roadmap articulates activities that correspond to sustainability priorities underlined by each stakeholder group and incorporates both short and long-term goals. The roadmap should give us a clear direction and operational goals. In addition, to ensure that it really reflects sustainability as anticipated by each stakeholder group, TISCO will review our operation plans annually. The sustainability framework is divided into three areas with main activities listed in the roadmap as follows:

1. To promote the responsible financial products and services (Marketplace)
 - Customer-centric
 - Integration of supervision, data management and protection for data privacy
 - Sustainable banking
 - Digitalization of financial products and services
2. To be the responsible financial institution with good governance (Workplace)
 - Corporate governance (CG)
 - Sustainable supply chain management
 - Anticipated risk and risk management
 - Quality and wellbeing of employees
3. To create a community and environment with responsibility (Community & Environment)
 - Financial service for sustainable quality living
 - Financial literacy
 - Support of social activities
 - TISCO Group's environmental management

Our operations in 2020 can be summarized as follows:

- 1) Responsible leadership in financial products

TISCO Group is fully supporting responsible banking through responsible lending. We have formulated a responsible lending policy, set up operational plans regarding responsible lending and issued a black list/prohibited list while encouraging responsible investment in companies that take into account social and environmental impacts. We also invite customers to take part in our social activities, where the proceeds derived from our financial products are partially donated to, amongst others, the Faculty of Medical Science, Chulalongkorn University's project to boost immunity against cancer.

- 2) Responsible financial institution under the principle of corporate governance

TISCO Group's supervision under the Market Conduct policy is conducted to ensure service access that takes into account customers' interests, protects customers through sound risk management and which can effectively handle any outcome. TISCO also focuses on all forms of anti-corruption actions, ensures fair and equal treatment of employees and provides ongoing capacity building activities to staff.

- 3) Responsible social and environmental endeavors

TISCO Group actively pursues business with social and environmental responsibility, as evidenced by our attempt to expand financial access through the Somwang, Ngern Sang Dai (Somwang, You can have Money when you Want) financial channels. In addition, TISCO promotes financial literacy, educating the public about possible financial threats through a series named Chum Chon Somwang Moo 8 (Somwang Village 8 Community) on our YouTube channel. We support government measures for less person-to-person contact and social distancing through our mobile banking. In addition, we pay attention to reducing environmental impacts by minimizing greenhouse gas emissions in

our operations, reducing the use of paper and electricity, refraining from using foam packaging in every TISCO office, restricting the use of single-use plastic bags and encouraging plastic bag recycling through waste separation, carrying your own bag and the “won” (recycling) plastic bag recycling project.

The Group’s sustainability endeavors are reported in the 2020 Sustainability Report published in accordance with the GRI Standards and the Financial Services Sector Disclosures. The report includes corporate information, direction of sustainability management and the 2020 key performance indicators (KPI) covering economic, social and environmental operations. The report takes into account relevance and values benefitting all groups of stakeholders. It also connects our operation in this area with the Sustainable Development Goals 2030 (SDG 2030).

Anti-Corruption Actions

TISCO Group has underlined the importance of anti-corruption practice and has actively committed to this agenda. We have vigorously campaigned against corruption throughout our existence. Integrity is part of our corporate values and employees must comply with it. Anti-corruption policies and practices are published in the employee’s manual as well as on the company’s website in the corporate governance section for comprehensive access by relevant parties. (Additional details of the Group’s anti-corruption policy can be accessed at <https://www.tisco.co.th>).

The following are among the anti-corruption activities we have implemented:

1. Anti-corruption policies and practices have been established to minimize any chance that the organization could be exploited as a vehicle to commit corruption. The policy and practices are regularly reviewed in compliance with the industry’s best practice. Their essence is communicated to the management and employees through various channels such as the intranet, e-Training, meetings to announce changes and anti-corruption training toolkits incorporated as part of each employee’s compulsory KPI.
2. Tightening of our gift policy where no gift in any shape and form can be accepted from customers, suppliers and other parties relating to the business on any occasion. If refusal is impossible, the Group will donate such gift to charity or to TISCO Foundation and other charitable organizations. We announced the no-gift policy during the 2021 New Year Season on our website and issued letters informing our customers, suppliers and others of the no-gift policy either to employees or the management.
3. We have issued a whistleblowing policy and set up channels to receive complaints and grievances from internal and external parties. Third parties can access our grievance channel as detailed on our website. Information, which will be kept confidential, will be used for fact finding.
4. The corruption risk is assessed annually and the results are reported to a relevant committee.
5. With regard to the declaration of our anti-corruption intention,
 - a. TISCO has sent out an invitation letter to each supplier to invite them to become an anti-corruption partner. The Supplier’s Code of Conduct in which anti-corruption practices are detailed is also delivered to suppliers.
 - b. TISCO has expressed a strong intention to fight against all forms of corruption through collaboration with other agencies or associations. In 2020, TISCO was part of a private Thai anti-corruption coalition that saw us taking part in an online activity held on the theme “Power of Data” to celebrate the Anti-Corruption Day on September 15, 2020.
6. An evaluation of our anti-corruption activities shows that our current ranking is 4, which underlines TISCO’s status as a company with certified membership of the Thai Coalition Against Corruption (Thai CAC). We are also on a journey towards No. 5 ranking, defined as a company that promotes or expands anti-corruption practices among suppliers or other relevant actors.
7. Our securities and asset management subsidiaries also extend their collaboration to anti-corruption agencies.
 - a. TISCO Securities Co., Ltd. has disclosed an assessment of its anti-corruption involvement in its analysis report for investors to review.
 - b. TISCO Asset Management Co., Ltd. has done the same by disclosing its anti-corruption assessment result in the company’s fund documents. Assessment by and corporate membership in the Thai CAC are one of the factors determining whether for TISCO Securities’ funds should be invested in a particular company or not.

Awards in 2020

Thanks to our commitment in financial service and product development in which the interests of all stakeholders are taken into account as well as the principle of corporate governance and social and environmental responsibility that has resulted in more than five decades of our sustainability, in 2020, TISCO was again lauded by local and international institutes. The details are given below.

International award

Products and services

Pension Fund Provider of the Year Thailand 2020 (3rd year)

TISCO Asset Management Co., Ltd. was awarded Pension Fund Provider of the Year Thailand 2020 for the third consecutive year by world-renowned financial media, the Global Banking and Finance Review. The award was given in recognition of regular returns the company produced for pension fund members while maintaining service standards that well responded to their diverse needs.

National Level

Operating Results

The Best Company of the Year 2020

TISCO Financial Group Public Company Limited was bestowed the Best Company of the Year 2020 Award in the financial sector at the Money & Banking Award 2020 Live Virtual event held by Money & Banking Magazine. The award is given to listed companies with excellent performances in four areas, namely, business size, profitability, investment returns and investment liquidity. The award strongly reflects TISCO's management efficiency.

The Outstanding Asset Management Company Award

TISCO Asset Management Co., Ltd. was honored with the Outstanding Asset Management Company Award 2020 at the SET Awards 2020 event held by the Stock Exchange of Thailand (SET) and Money & Banking Magazine. The award underlined the asset management company's ability to generate outstanding returns, the variety of fund products it offered to investors, its success in mobilizing funds from various unit offerings and its reliable compliance with rules and regulations.

Corporate Governance

Sustainable Equity (4th Year)

TISCO Financial Group Public Company Limited was selected as Thailand Sustainability Investment (THIS) 2020 equity by the Stock Exchange of Thailand (SET) for the fourth consecutive year. The award underlined our commitment to sustainable growth taking into account the ESG factors.

Excellent CG Scoring (13th Year)

TISCO Financial Group Public Company Limited was ranked "Excellent" and was one among the Top Quartile of listed companies with more than Baht 10 billion market capitalization for the 13th consecutive year by the Thai IOD Co., Ltd. in its 2020 CG scoring survey result.

ESG100 (6th Year)

TISCO Financial Group Public Company Limited was selected as one of 100 listed companies with outstanding ESG (environmental, social and governance) performance known as the ESG100 in 2020 by Thaipat Institute for the sixth consecutive year. The first recognition came in 2015 when the ESG100 group of securities was first established.

"Excellent" Annual General Meeting in 2019 (6th Year)

TISCO Financial Group Public Company Limited was given a full 100 score for its 2019 Annual General Meeting of Shareholders (AGM). The award was bestowed on us for the sixth consecutive year by the Association of Thai Investors, the Association of Listed Companies and the Securities and Exchange Commission (SEC).

Sustainability Disclosure Awards 2020

TISCO Financial Group Public Company Limited was lauded through the Sustainability Disclosure Award given during the State of Corporate Sustainability in 2020 event hosted by Thaipat Institute. The award honoured our sustainability disclosure to the public and relevant stakeholders through a comprehensive sustainability report that also effectively fulfilled the SDGs.

Outstanding Calendar "Suriya Sasithorn"

TISCO Financial Group Public Company Limited's 2020 Table Calendar was recognised for its outstanding contents and production in the category of social and environmental promotion at the "Suriya Sasithorn" event held by the Association of Public Relations of Thailand at the Department of Public Relations.

Human Resource Management

The Thailand HR Innovation Award 2020

TISCO Group was bestowed the Thailand HR Innovation Award 2020 for its “TISCO Oasis Inviting, Adapting and Giving Over” project. The event was organised by PMAT, FTPI and NIDA’s School of HR Development.

Products and Services

The Outstanding Fund from Morning Star

TISCO Asset Management Co., Ltd. was awarded the Excellent Equity Fund 2020 in the category of mid/small cap equity fund at the Morningstar Thailand Fund Awards 2020 event. The award specifically recognised the excellent performance of TISCO Mid/Small Cap Equity Fund (TISCOMS), which has produced remarkable returns.

The Best Mutual Fund of the Year 2020

TISCO Asset Management Co., Ltd. received the Best Mutual Fund of the Year 2020 Award in the Equity General category at the Money & Banking Awards 2020 Live Virtual event held by Money & Banking Magazine. The award recognized the management of TISCO Strategic Fund that resulted in excellent performance.

The Outstanding Investor Relations Award

TISCO Financial Group Public Company Limited was bestowed the Outstanding Investor Relations Award in the category of listed companies with market capitalization between Baht 30-100 billion at the SET Awards 2020 event held by the SET and Money & Banking Magazine.

Individual

BEST CFO Award 2020

Mr. Chatri Chandrangam, Senior Executive Vice President, Risk and Financial Control, TISCO Bank, was declared the Best CFO in the finance sector for the third consecutive year at the IAA Awards for Listed Companies 2020 event held by the Investment Analysts Association (IAA). Mr. Chatri was selected through peer nominations and votes by peer analysts and fund managers, reflecting his acumen and expertise in the industry.

The Best Analyst, Energy Sector, Award 2020

Mr. Wattana Punyawattanakul of TISCO Securities Co., Ltd. was recognized as the Best Analyst, Energy Sector, winning the IAA Best Analyst Award 2020 in the category of institutional investor announced by the IAA.

The Outstanding Analyst, Technology Sector, Award 2020

Mr. Thapana Panich, Chief of Research Center, TISCO Securities Co., Ltd., was recognised with the Outstanding Analyst, Technology Sector, Award 2020 during the 2020 IAA Best Analyst Award event held by the IAA.

The Best Technical Analyst Award 2020

Mr. Vivat Techapoonpol, Vice President and Head of Technical Analysis Department, TISCO Securities Co., Ltd., was bestowed the Best Analyst Award in the category of Technical Analysis (including both retail and institutional investors) at the 2020 IAA Best Analyst Awards 2020 event held by the IAA.

The Outstanding Investment Analysis Team Award

TISCO Securities Co., Ltd. won the Outstanding Investment Analysis Team Award in the category of Institutional Investor at the 2020 IAA Best Analyst Awards 2020 held by the IAA.

11. Internal Control and Risk Management

TISCO Group has realized and emphasized the sound risk management and adequacy and appropriateness of internal control system in order to support and sustain the effective and efficient business undertaking of TISCO Group. The control structure has started with the established control environment for transparently operating businesses under good corporate governance, check and balance organizational structure, centralized policies and guidelines for enterprise-wide adoption, written and thoroughly communicated code of conduct, disciplinary punishment and the establishment of channels for accepting complaints and appropriate consideration process.

Oversight of Internal Control System and Risk Management

The business undertakings as well as the sound and adequacy of control system are under the supervision of the Board of Directors of TISCO Financial Group through the Executive Board, Risk Oversight Committee and the Audit Committee. The centralized supervision has been conducted by TISCO Group in accordance with the consolidated supervision principles of the Bank of Thailand with major structures as follows;

1. The Executive Board of the parent company oversees entire risk management and internal control systems, formulate risk governance culture to support the organizational business operations according to the determined business direction and targets, ensures the effectiveness of the implementation of risk management framework and control systems of TISCO Group. The specific sub-committees have been appointed and delegated to oversee and control the dedicated responsible areas. In regard to the TISCO Financial Group, the parent company, the specific sub-committees have been appointed to centralize the oversight functions, namely: the Audit Committee, the Risk Oversight Committee, the Risk Management Committee, the Compliance and Operation Control Committee, Information Technology Management Committee and the Technology and Infrastructure Committee. Meanwhile, the TISCO Bank, a subsidiary within the TISCO Group has also established specific sub-committees in relevant with the banking business, namely the Audit Committee, the Risk Oversight Committee, the Risk Management Committee, the Credit Committee, and the Problem Loan Committee. As for other subsidiaries within the TISCO Group, the appointment of the sub-committees have been considered and established to be in line with the complexity of the business undertaking of each subsidiary as deemed necessary and appropriate. The risk management and control system of each subsidiary within TISCO Group shall be implemented in accordance with Internal Control Policy, Corporate Governance Policy and Risk Management Policy as well as the relevant guidelines determined by the parent control as enterprise-wide adoption.
2. The Audit Committee of TISCO Financial Group shall perform duties independently in assessing the adequacy of the TISCO Group's internal control system established and supervised by the Executive Board including the effectiveness of the audit system. The Audit Committee of TISCO Financial Group shall consider Internal Control Assessment Form prepared by the management of the TISCO Group and concurred by Risk Oversight Committee on an annual basis prior proposing to the Board of Directors for consideration and approval. In regard to the oversight function for the group's risks, the Audit Committee reviews the policy and guidelines for internal audit, oversee the appropriateness of internal control system through the performance of duties of Internal Audit Function, Risk Management Function and the Audit Committee of other subsidiaries. The oversight functions are aimed to assess the fair accuracy of financial statements, the transparency of business undertakings, the adequacy and appropriateness of internal control and audit system of every business operations including the proceeding in compliance with laws and regulations. For other subsidiaries those been regulated by supervisory authorities, the Audit Committee, internal control and internal audit reporting process have been established in each company whilst internal audit and control process in other companies shall also be reported directly to the Audit Committee of TISCO Financial Group as well.
3. The Risk Oversight Committee shall perform duties in ensuring the compliance with the risk management policies & strategies, and risk appetite. And exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies & strategies and risk appetite on regularly

basis. The Report shall also be made to the Board regarding risk exposures, effectiveness of risk management, implementation progress of risk culture, significant issues and required improvement in compliance with risk management policies & strategies.

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

Risk Management Framework is a set of interrelated components starting with governance and risk management culture, synchronization between strategic objective setting and risk management process, risk assessment and management for supporting the achievement of business objectives, monitoring process and finally, communication and reporting. Internal Control system is inherent component of risk management that raises the values and enhances the effectiveness of each other. TISCO Group has implemented the internal control system and integrated-enterprise risk management framework, which are the international best practices, to ensure the achievement of objectives, efficiency and effectiveness of operations and compliance with laws and regulations. The internal control system has 5 key components those are described as bellows;

TISCO Group has developed appropriate control environment to promote the sound internal control system. The established control environment has started by defining "Integrity" as one of corporate core values, create and cultivate risk culture, establishing Internal Control Policy and Guideline, structuring check and balance organization and supervisory lines and determining the appropriate approval authority and accountabilities to drive the pursuit of business objectives as well as the provision of the continuing education to employees for enhancing the skills and competencies. In regard to the oversight function, the Risk Oversight Committee as appointed and delegated by the Board shall supervise the performance of duties of the Management Committee in complying with the risk management policies and strategies as well as the review of effective establishment of sound control system and risk management process. The Audit Committee performs duties through the operations of Internal Audit Function in assessing the effectiveness of risk management and control system. Meanwhile, the Corporate Governance Committee shall oversee the performance of duties of the Board, directors and managements to assure that the proceedings are undertaken in accordance with Corporate Governance Policy, code of business ethics and relevant laws and regulations.

TISCO Group places great importance on effective risk management and controls. The Risk Oversight Committee has been established to transparently and independently oversee and govern the corporate risks. The Risk Management Committee is delegated to be responsible for establishing effective risk management policies, prudent risk management guidelines and limits as well as the monitoring and controlling process. The Risk Management Committee assesses and measures key risks, particularly in the areas of credit, market, funding, operational including IT and fraud risks. With effective risk management framework and system, Risk Management Function is accountable for measuring and monitoring risks according to the defined Risk Management Guideline, regularly report the monitoring results to the senior management and relevant committee while overall risk management process is also examined by independent internal auditors on regular basis.

In order to provide assurance that all subsidiaries within TISCO Group operate businesses under the effective control system and align with each environment and business operations with an aim to manage potential risks affected to the achievement of business objectives and damaged the organization, TISCO Group has designed control system to be centralized management. The centralized policies and guidelines and the appropriate authority delegation are developed to govern with enterprise wide adoption as well as the regular monitoring and governing process for ensuring the work proceeding under the standardized practices. Additionally, under the internal control framework, segregation of duties among operators, reviewers and evaluators are well defined with sound practice for assuring the check and balance controls as well as the appropriate audit system.

TISCO Group has continuously developed information technology system and enhanced the quality of information in order to provide the efficient and timely information as well as the establishment of IT Risk Management Function responsible for governing and supporting the provision of sound control to support the achievement of control objectives and appropriately supervise the proceeding with compliance with laws and regulations related to IT. TISCO Group has brought the appropriate information technology and information security to adopt for business operations in order to secure the key information. Additionally, TISCO Group has also determined the channel and process to communicate or provide adequate and accurate information either to internal or external parties in timely manner.

To ascertain whether the components of internal control are efficiently functioning, TISCO Group has established ongoing monitoring and control assessment process. Other than that, the TISCO Group has also arranged the reporting and communicating channel to report the internal control deficiencies to the responsible person for timely taking corrective action. The establishment of audit process through the performance of duties of Internal Audit Function and Compliance Function are well determined. The examination result of the control effectiveness as well as the compliance with the laws and regulations stipulated by the supervisory authorities shall be regularly reported to senior management and the relevant committees.

11.1 Board of Directors' Report on Internal Control System

At the Board of Directors' Meeting No. 1/2021 on February 24, 2021 where the 6 members of independent directors including 3 members of Audit Committee were present, the Board considered the Company's internal control assessment form as prepared by the managements which concurred and reviewed by the Risk Oversight Committee and the Audit Committee. According to the assessment form, the evaluation was made to cover five aspects; Organizational Control and Environmental Measures, Risk Management Measures, Management Control Activities, Information and Communication Measures and Monitoring. The Board viewed that the Company's internal control system is adequate and appropriate for business undertakings. The Company has established sound control system and sufficient resources to carry out according to the determined processes including sufficient monitoring controls for supervising business operations of subsidiaries to ascertain that they operate businesses under the sound control systems with appropriate control measures to prevent the conflict of interests.

11.2 Audit Committee's and Independent Auditor's Comment on Internal Control System

Audit Committee has agreed with Board of Directors' report on Internal Control System and had no comments on the internal control system. The details are provided in Attachment 6 Report of Audit Committee. Moreover, in year 2020, Ernst & Young Office Limited as independent auditor of the Company had no comments on the internal control system.

11.3 Head of Internal Audit Unit and Head of Compliance Unit

(1) Head of Internal Audit

TISCO Group appointed Ms. Chuenchit Trakarnratti as a Head of Internal Audit who is qualified to take charge for Internal Audit function with her competency and auditing experience. Ms. Chuenchit is able to independently perform her duties with the support of the Audit Committee. Ms. Chuenchit is also appointed as the Secretary to the Audit Committee. Qualification of the current Head of Internal Audit is provided in the Attachment 3.

(2) Head of Compliance

TISCO Group appointed Mrs. Dulyarat Taveephol to be a Head of Corporate Compliance to oversee the business operations in compliance with related laws and regulations. Compliance Function is under supervision of Mr. Pairat Srivilairit - Chief Governance Officer. Qualification of the current Heads is provided in the Attachment 3.

12. Related Party Transactions

The Company disclosed the details of related party transactions under section 4.35 of the notes to the consolidated financial statement for the year ended December 31, 2020. The Company and its subsidiaries conducted business transactions with related parties at an arms-length basis to ensure fairness as applied to external parties.

12.1 Necessity and justification for the transactions

The related party transactions were necessary and justified in order to obtain maximize benefit for the Group. These transactions were the supporting transactions for the normal business operations of TISCO Group, in accordance with the consolidated supervision principle of the Bank of Thailand. Hence, these transactions did not involve any conflicts of interest.

12.2 Measures or procedures for approval of related party transactions

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

12.3 Related transaction policy

The Group puts a strong emphasis on effective management under good governance and in accordance with the relevant rules and regulations. In addition, the Group has set up a "Related Party Transaction Policy", implemented across the Group, which states that the Group has no policy to encourage transactions between related parties. Should any such transactions occur, the conditions would be the same as for normal business transactions for the Group.

Part 3

Financial Status and Performance

13. Key Financial Information

13.1 Financial Statements

Summary of Auditor's Report

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

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

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

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2019

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2019 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of his report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2019, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

The Consolidated Financial Statements of the Company and its Subsidiaries for the Year Ended December 31, 2018

The independent auditor for the Company's financial statements and the Company's and its subsidiaries' consolidated financial statements for the year ended December 31, 2018 was Ms. Somjai Khunapasut, Certified Public Accountant (Thailand) No. 4499, of EY Office Limited. The conclusion of his report can be summarized as follows:

Based on the independent auditor's audit, the financial statements presented fairly, in all material respects, the financial position of TISCO Financial Group Public Company Limited and its subsidiaries and of TISCO Financial Group Public Company Limited as at December 31, 2018, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Table Depicting the Consolidated Financial Statements of the Company and its Subsidiaries
TISCO Financial Group Public Company Limited and its subsidiaries
Statement of financial position
As of

(Unit: Thousand Baht)

Consolidated financial statements

	December 31, 2020	December 31, 2019	December 31, 2018
Assets			
Cash	1,220,207	1,102,557	1,191,800
Interbank and money market items - net	38,212,028	45,300,141	54,071,389
Financial assets measured at fair value through profit or loss	2,173,020	-	-
Derivatives assets	62,095	21,907	5,685
Investments - net	9,953,256	9,363,032	9,012,345
Investments in subsidiaries and joint venture - net	804,925	813,602	800,151
Loans to customers and accrued interest receivables			
Loans to customers	244,355,748	263,569,157	261,056,899
Accrued interest receivables and undue interest income	1,901,983	1,240,929	642,526
Total loans to customers and accrued interest receivables	246,257,731	264,810,086	261,699,425
Less: Deferred revenue	(19,544,201)	(20,743,017)	(20,402,559)
Less: Allowance for expected credit loss / doubtful accounts	(11,825,544)	(10,709,365)	(11,665,492)
Less: Allowance for loss on debt restructuring	-	(7,343)	(8,146)
Loans to customers and accrued interest receivables - net	214,887,986	233,350,361	229,623,228
Properties foreclosed - net	29,671	18,429	10,857
Investment properties	27,334	30,304	39,388
Premises and equipment - net	2,921,739	2,984,152	2,992,229
Right-of-use assets - net	885,486	-	-
Intangible assets - net	214,268	329,460	448,222
Deferred tax assets	766,444	1,324,904	991,525
Securities and derivatives business receivables - net	1,058,180	1,164,066	948,528
Other assets	2,226,573	2,340,175	2,409,287
Total assets	275,443,212	298,143,090	302,544,634

TISCO Financial Group Public Company Limited and its subsidiaries
Statement of financial position (continued)

As of

(Unit: Thousand Baht)

Consolidated financial statements

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Liabilities and equity			
Liabilities			
Deposits	203,472,825	216,084,551	193,108,310
Interbank and money market items	5,807,646	4,656,133	4,374,674
Liabilities payable on demand	1,284,765	306,867	238,219
Derivatives liabilities	-	-	10,653
Debts issued and borrowings	12,825,919	25,016,919	55,556,919
Lease liabilities	828,590	-	-
Provisions	1,691,054	1,485,868	827,442
Deferred tax liabilities	1,097	-	8,499
Securities and derivatives business payables - net	1,033,041	820,545	995,276
Accrued interest payable	735,903	1,005,621	881,275
Income tax payable	495,672	911,330	753,846
Other liabilities	7,804,621	8,659,142	7,960,065
Total liabilities	<u>235,981,133</u>	<u>258,946,976</u>	<u>264,715,178</u>
Equity			
Share capital			
Registered			
33,858 preference shares of Baht 10 each	339	339	339
800,669,437 ordinary shares of Baht 10 each	8,006,694	8,006,694	8,006,694
	<u>8,007,033</u>	<u>8,007,033</u>	<u>8,007,033</u>
Issued and paid-up			
9,859 preference shares of Baht 10 each	99	99	99
800,645,624 ordinary shares of Baht 10 each	8,006,456	8,006,456	8,006,456
	8,006,555	8,006,555	8,006,555
Share premium			
Share premium on preference shares	-	-	-
Share premium on ordinary shares	1,018,408	1,018,408	1,018,408
	1,018,408	1,018,408	1,018,408
Other components of equity	1,837,917	1,810,936	1,753,824
Retained earnings			
Appropriated - statutory reserve	801,000	801,000	801,000
Unappropriated	27,795,056	27,556,084	26,116,740
Equity attributable to equity holders of the Company	39,458,936	39,192,983	37,696,527
Non-controlling interest of the subsidiaries	3,143	3,131	132,929
Total equity	<u>39,462,079</u>	<u>39,196,114</u>	<u>37,829,456</u>
Total liabilities and equity	<u>275,443,212</u>	<u>298,143,090</u>	<u>302,544,634</u>

TISCO Financial Group Public Company Limited and its subsidiaries
Statement of comprehensive income
For the years ended

(Unit: Thousand Baht)

	Consolidated financial statements		
	December 31, 2020	December 31, 2019	December 31, 2018
Profit or loss:			
Interest income	16,756,709	17,881,207	17,690,276
Interest expenses	(3,659,000)	(5,088,798)	(5,075,507)
Net interest income	13,097,709	12,792,409	12,614,769
Fee and service income	5,459,691	6,510,972	6,339,093
Fee and service expenses	(313,660)	(325,754)	(243,666)
Net fee and service income	5,146,031	6,185,218	6,095,427
Net gain on financial instruments measured at fair value through profit or loss	257,485	-	-
Net gains (losses) on trading and foreign exchange transactions	-	(24,227)	6,339
Net gain (loss) on investments	12,372	6,817	496,291
Share of profit (loss) from investments accounted for under equity method	(1,717)	12,108	222,708
Dividend income	58,903	64,617	62,584
Penalty fee income from loans	217,139	294,907	331,035
Other operating income	116,021	103,796	204,018
Total operating income	18,903,943	19,435,645	20,033,171
Operating expenses	-	-	-
Employee's expenses	5,288,351	6,410,362	5,839,300
Directors' remuneration	18,160	18,125	16,425
Premises and equipment expenses	1,272,885	1,304,846	1,213,428
Taxes and duties	276,538	296,605	303,080
Other operating expenses	1,155,889	1,240,853	1,381,034
Total operating expenses	8,011,823	9,270,791	8,753,267
Bad debt, doubtful accounts and impairment losses	-	1,109,103	2,701,452
Expected credit loss	3,330,604	-	-
Profit from operations before income tax expenses	7,561,516	9,055,751	8,578,452
Income tax expenses	1,497,654	1,782,553	1,663,017
Profit for the year	6,063,862	7,273,198	7,043,741

TISCO Financial Group Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the years ended

(Unit: Thousand Baht)

	Consolidated financial statements		
	December 31, 2020	December 31, 2019	December 31, 2018
Other comprehensive income:			
Continuing operations			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	2,053	-	-
Gains (losses) on valuation in available-for-sale investments	-	74,272	(233,032)
Share of other comprehensive income of joint venture:			
Cash flow hedges of joint venture (loss)	(6,960)	1,342	3,517
Income tax effects	(411)	(14,854)	45,062
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(5,318)	60,760	(184,453)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Changes in surplus on revaluation of assets	-	-	387,623
Actuarial losses	(40,273)	(288,575)	(56,943)
Income tax effects	8,072	57,556	(66,712)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (Loss)	(32,201)	(231,019)	263,968
Other comprehensive income for the year (Loss)	(37,519)	(170,259)	79,515
Total other comprehensive income for the year	6,026,343	7,102,939	7,123,256
	-	-	-
Total comprehensive income	-	-	-
Total comprehensive income from continuing operations	6,026,343	7,102,939	6,994,950
Total comprehensive income from discontinued operations	-	-	128,306
Total comprehensive income for the year	6,026,343	7,102,939	7,123,256
Profits attributable to			
Equity holders of the Company			
Profit for the year from continuing operations	6,063,483	7,270,233	6,887,379
Profit for the year from discontinued operations	-	-	128,306
Profit for the year attributable to the Company	6,063,483	7,270,233	7,015,685
Non-controlling interests of the subsidiaries			
Profit for the year attributable to non-controlling interests	379	2,965	28,056
	6,063,862	7,273,198	7,043,741
Total comprehensive income attributable to			
Equity holders of the Company			
Total comprehensive income for the year from continuing operations	6,025,964	7,100,094	6,966,734
Total comprehensive income for the year from discontinued operations	-	-	128,306
Total comprehensive income for the year attributable to the Company	6,025,964	7,100,094	7,095,040
Non-controlling interests of the subsidiaries			
Total comprehensive income for the year attributable to non-controlling interests	379	2,845	28,216
	6,026,343	7,102,939	7,123,256
Earnings per share of equity holders of the Company			
Basic earnings per share (Baht per share)			
Equity holders of the Company			
Profit from continuing operations	7.57	9.08	8.60
Profit from discontinued operations	-	-	0.16
	7.57	9.08	8.76

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement

For the years ended

(Unit: Thousand Baht)

	Consolidated financial statements		
	December 31, 2020	December 31, 2019	December 31, 2018
Cash flows from operating activities			
Profit from operations before income tax	7,561,516	9,055,751	8,578,452
Profit (loss) before income tax from discontinued operations	-	-	128,306
Profit from operation before income tax	7,561,516	9,055,751	8,706,758
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities			
Depreciation and amortisation	657,177	381,961	390,757
Expected credit loss	5,116,156	-	-
Bad debts and doubtful accounts	-	2,971,802	4,898,708
Share of (profit) loss from investment accounted for under equity method	1,717	(12,108)	(222,708)
Allowance for impairment of investments	-	4,769	(1,355)
Allowance for impairment of properties foreclosed (reversal)	564	(11,111)	(268)
Gain on disposal of investments in securities	(12,372)	(12,501)	(495,267)
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(21,803)	41,056	(6,455)
Gain on financial instruments measured at fair value through profit or loss	(253,456)	-	-
Gains (losses) on changes in value of investment properties	2,970	1,022	(6,992)
Gains on disposal of equipment and intangible assets	(4,891)	(3,290)	(5,661)
Loss on written-off of equipment and intangible assets	2,751	2,297	472
Gain on disposal of properties foreclosed	(33,340)	(42,934)	(71,336)
Employee benefit expenses	204,697	406,899	83,138
Decrease (increase) in accrued income	184,294	(306,256)	261,429
Increase (decrease) in accrued expenses	(801,440)	383,486	536,621
Net interest income	(13,097,709)	(12,792,409)	(12,828,669)
Dividend income	(58,903)	(64,617)	(62,584)
Cash received on interest income	15,729,391	16,948,275	17,680,774
Cash paid on interest expenses	(3,364,522)	(3,900,762)	(3,844,808)
Cash received on dividend income	58,903	64,617	62,584
Cash received on income tax	-	18,967	-
Cash paid on income tax	(1,456,983)	(1,839,085)	(2,018,179)
Profit from operating activities before changes in operating assets and liabilities	10,414,717	11,295,829	13,056,959
Operating assets (increase) decrease			
Interbank and money market items	7,077,408	8,758,584	(9,424,150)
Loans to customers	12,400,949	(7,808,565)	4,253,506
Securities and derivatives business receivables	105,886	(215,538)	1,393,513
Receivables from clearing house	(291,291)	114,006	(114,224)
Properties foreclosed	1,855,053	1,746,124	1,849,032
Other assets	388,509	3,655	(201,668)
Operating liabilities increase (decrease)			
Deposits	(12,611,726)	22,976,241	12,304,466
Interbank and money market items	1,151,513	281,459	357,167
Liabilities payable on demand	977,898	68,648	(193,142)
Securities and derivatives business payables	212,496	(174,731)	(1,220,980)
Short-term debts issued and borrowings	(2,351,000)	460,000	(25,021,700)
Payables to clearing house	(28,955)	278,256	(52,820)
Provision for long-term employee benefits	(54,500)	(37,048)	(47,493)
Other liabilities	(328,901)	(565,974)	(1,099,657)
Net cash flows from (used in) operating activities	18,918,056	37,180,946	(4,161,191)

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the years ended

(Unit: Thousand Baht)

	Consolidated financial statements		
	December 31, 2020	December 31, 2019	December 31, 2018
Cash flows from investing activities			
Cash paid for purchase of investments in securities held for investment	(31,435,476)	(36,584,587)	(12,333,737)
Cash received from disposal of investments in securities held for investment	29,164,080	36,256,313	11,125,400
Cash paid for purchase of equipment	(168,903)	(206,836)	(191,004)
Cash paid for purchase of intangible assets	(30,943)	(46,891)	(77,495)
Cash received from disposal of equipment	7,663	3,565	8,061
Cash received from disposal of intangible assets	-	395	-
Cash paid for acquisition of a subsidiary	-	(87,719)	-
Net cash flows used in investing activities	(2,463,579)	(665,760)	(1,468,775)
Cash flows from financing activities			
Cash received from issuance of long-term debentures	4,160,000	2,400,000	20,000,000
Cash paid for redemption of long-term debentures	(14,000,000)	(33,400,000)	(10,500,000)
Cash paid on lease liabilities	(291,784)	-	-
Dividend paid	(6,205,043)	(5,604,429)	(4,003,042)
Net cash flows from (used in) financing activities	(16,336,827)	(36,604,429)	5,496,958
Net increase (decrease) in cash	117,650	(89,243)	(133,008)
Cash at beginning of the year	1,102,557	1,191,800	1,324,808
Cash at end of the year	1,220,207	1,102,557	1,191,800
Supplemental cash flows information			
Non-cash transactions			
Right-of-use assets	158,039	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	11,242	7,572	-
Transfer of investment properties to premises and equipment	-	8,062	-
Transfer of premises and equipment to investment properties	-	-	-

13.2 Important Financial Ratios

		2020	2019	2018
Profitability Ratio				
Gross Profit Margin	(%)	82.1	77.8	77.9
Net Profit Margin	(%)	32.1	37.4	35.0
Return on Average Shareholders' Equity	(%)	15.4	18.9	18.5
Interest Income Ratio	(%)	5.8	5.9	11.6
Interest Expense Ratio	(%)	1.6	2.0	4.0
Interest Spread	(%)	4.3	3.9	7.6
Return on Investment	(%)	4.3	2.3	7.8
Efficiency Ratio				
Net Interest Income to Total Assets	(%)	4.6	4.3	4.2
Return on Average Assets	(%)	2.1	2.4	2.3
Total Asset Turnover	(times)	6.59	6.47	6.62
Financial Ratio				
Debt to Equity Ratio	(times)	6.0	6.6	7.0
Total Loans to Total Borrowing and Deposits	(%)	103.9	100.7	96.8
Total Loans to Public Borrowing	(%)	110.5	112.4	124.6
Public Borrowing to Total Liabilities	(%)	86.2	83.4	72.9
Dividend Payout Ratio	(%)	N.A.	85.4	79.9
Asset Quality Ratio				
Allowance for Doubtful Account to Total Loans	(%)	5.3	4.4	4.8
Bad Debt and Doubtful Account to Total Loans	(%)	1.7	1.6	1.8
Non-accrued loans ¹ to Total Loans	(%)	N.A.	2.8	2.6
Allowance for Doubtful Account to Non-performing loans	(%)	210.5	183.7	169.8
Accrued Interest Receivable to Total Loans	(%)	0.8	0.5	0.3
Other Ratios				
Capital Funds to Risk Weighted Asset (BIS)	(%)	22.78	22.10	22.91
Net Capital Rule (TISCO Securities)	(%)	43.47	67.21	105.91

¹according to the Bank of Thailand's definition

14. Management Discussion and Analysis

The Management Discussion and Analysis compares operating performance and financial position of TISCO Group for the year 2020, with those of the year 2019

Movement of Money Market and Capital Market

Domestic economy for the year 2020 contracted drastically amid the spread of COVID-19. Throughout the year, the government continually launched the disease-control measures namely a country lockdown during the middle of the year, social distancing practice and a suspension of international flight since the second quarter. In consequence, economic activities and domestic demands fell sharply, particularly tourism sector that was directly impacted by the country lockdown and the absence of tourist arrivals. Export sector declined in relation to weaker demands from trading partners and Thai Baht appreciation. Domestic consumption also weakened resulting from declining purchasing power following unemployment problem and lower household income, along with high level of household debt. Numerous relief measures by the government were implemented through liquidity injection schemes such as “Kon La Khreung” program, “Shop Dee Mee Kuen” program and “Rao Tiew Duay Gun” program in order to stimulate economic activities, promote consumptions and support business owners. Meanwhile, private investment slowed down reflecting business concerns over economic outlook that was full of uncertainty and the risk of resurgence of the epidemic during the end of 2020. The domestic car sale for the year 2020 totaled 792,110 units, decreased by 21.4% (YoY), while the headline inflation for the year 2020 declined by 0.85%. The Bank of Thailand forecasted 2020 GDP at a contraction of 7.8%.

The Bank of Thailand has launched relief measures to help affected customers namely debt relief programs for retail customers to ease debt burden, debt restructuring, a reduction of ceiling of lending rate and liquidity support for SMEs through soft loan. In addition, during the year, the Bank of Thailand reduced the policy rate 3 times to 0.50%, together with reduced the rate of contribution from financial institutions to the FIDF from 0.46% to 0.23% of deposit base per annum for two years in order to pass on the lower interest rate to banks’ clients. The average 3-month fixed deposit rates of Top-4 commercial banks decreased from 0.86% to 0.37% (YoY) while all lending rates of Top-4 commercial banks also declined from the previous year. The average minimum lending rate (MLR) decreased from 6.01% to 5.31% (YoY). The average minimum overdraft rate (MOR) declined from 6.84% to 5.85% (YoY), and the average minimum retail rate (MRR) reduced from 6.87% to 5.98% (YoY).

For the capital market in 2020, SET index closed at 1,449.35 points, decreased by 130.49 points or 8.3% comparing to 1,579.84 points at the end of the previous year, resulted from lower investor confidence amid the concern toward COVID-19 situation and economic downturn. Whereas, market trading volume increased significantly amid volatile market condition, thereby the average daily turnover increased from 52,468 million baht in 2019 to 67,335 million baht.

Major Events

The Adoption of New Accounting Standards

In the financial statement for the year 2020, the Company has adopted the new accounting standards namely TFRS 9 – “Financial Instruments” and TFRS 16 – “Leases” which were effective since January 1, 2020. The financial reporting has the material changes from the previous reporting as follows.

- Interest income recognition shall be based on effective interest rate (EIR), and another key change is the recognition of accrued interest income of non-performing loans (NPLs).
- Gain/Loss on financial instruments measured at fair value through profit or loss, where equity investments in the past were recognized gain/loss through profit or loss when the investments were liquidated.
- Expected Credit Loss (ECL) impairment framework is used in place of provision impairment loss method. TFRS 9 framework has different loan classification and impairment model, with an addition of Forward Looking model framework to incorporate effects from business cycles. Moreover, the accrued interest income of non-performing loans is subject to ECL impairment in full.

Co-brand Alliance with Jefferies

On October 21, 2020, TISCO Securities announced a co-brand alliance with Jefferies Hong Kong Limited. Under this agreement, TISCO Securities aims to develop and provide equity research of Thai listed companies, as well as offer investment advisory, trading facility and corporate access services to institutional investors of Jefferies worldwide who are interested in investing in Thailand.

14.1 Operating Performance

TISCO Financial Group Public Company Limited (“the Company”) had net profit from operations in the year 2020 on a standalone basis totaling 5,059.30 million baht, mainly contributed by dividend income. As a holding company, TISCO Financial Group Public Company Limited operates as shareholder in other company and no other major business. Therefore, the analysis was based on the Company’s consolidated operating performance and financial position which comprised of 2 main businesses: commercial banking business and securities business.

Operating Results for the year 2020

The net profit attributed to owners of the Company for the year 2020 declined by 1,206.75 million baht or 16.6% from the previous year, totaling 6,063.48 million baht driven by COVID-19 pandemic that affected an economic slowdown putting pressured on core revenues from banking businesses, whereas loan loss reserve increased reflecting the current economic situation.

Net interest income grew by 2.4% (YoY) driven by an effective cost management during a declining interest rate environment. Non-interest income declined by 12.6% (YoY) particularly banking fee income from both bancassurance business and loan-related fee income following lower new business volume. On the contrary, fee income from capital market businesses improved by 12.8% (YoY) due to higher trading volume and the issuances of new funds that responded to investors’ needs amid volatile capital market. Operating expenses decreased in relation to revenue contraction. Expected credit loss increased from the previous year, reporting at 1.42% of average loans, to cushion against potential risk arising from economic uncertainties. Meanwhile, the Company has maintained close monitoring and follow-ups to all client groups, resulting in a slight increase in NPL ratio from the previous year to 2.50% at the end of 2020.

Basic earnings per share for the year 2020 were 7.57 baht per share, decreased from 9.08 baht per share in 2019, with the return on average equity (ROAE) reported at 15.4%.

Income Statement

The Company and its subsidiaries' income statement in 2019 and 2020 are illustrated in Table 1.

Table 1: Income Statement for year 2019 -2020

Type of Revenue (Million baht)	2020	2019	%YoY
Interest income			
Interest on loans	8,002.72	8,047.67	(0.6)
Interest on interbank and money market items	251.33	575.86	(56.4)
Hire purchase and financial lease income	8,360.38	9,025.26	(7.4)
Investments	142.27	232.41	(38.8)
Total interest income	16,756.71	17,881.21	(6.3)
Interest expenses	(3,659.00)	(5,088.80)	(28.1)
Net interest income	13,097.71	12,792.41	2.4
Fee income			
Fee income	5,459.69	6,510.97	(16.1)
Fee expenses	(313.66)	(325.75)	(3.7)
Net fee income	5,146.03	6,185.22	(16.8)
Gain (Loss) on the financial instruments measured at fair value and investment	269.86	(17.41)	n.a.
Share of profit (loss) from subsidiaries	(1.72)	12.11	(114.2)
Other operating income	392.06	463.32	(15.4)
Total operating income	18,903.94	19,435.65	(2.7)
Operating expenses	(8,011.82)	(9,270.79)	(13.6)
Expected Credit Loss	(3,330.60)	(1,109.10)	200.3
Profit before tax and minority interest	7,561.52	9,055.75	(16.5)
Corporate income tax expenses	(1,497.65)	(1,782.55)	(16.0)
Profit before minority interest	6,063.86	7,273.20	(16.6)
Non-controlling interests of subsidiaries	(0.38)	(2.96)	(87.2)
Net profit	6,063.48	7,270.23	(16.6)

(1) Net Interest Income

In 2020, net interest income was 13,097.71 million baht, increased by 305.30 million baht (2.4% YoY). Total interest income was 16,756.71 million baht, dropped by 1,124.50 million baht (6.3% YoY). Whereas, interest expense was 3,659.00 million baht, declined by 1,429.80 million baht (28.1% YoY).

Yield on loans for the year 2020 increased to 7.08% from 6.91% (YoY) resulting from an increase in the proportion of high-yield consumer loans, together with the adoption of TFRS 9 to use effective interest rate (EIR) and recognize the accrued interest income of non-performing loans. If excluding the effect from TFRS 9, yield on loans decreased to 6.8% following the policy rate cuts. Meanwhile, the cost of fund decreased from 2.11% to 1.58% (YoY) owing to an effective cost management during a declining interest rate environment, as well as the reduction of contribution rate to the FIDF from 0.46% to 0.23% in accordance with the measure by the Bank of Thailand. Consequently, loan spread improved from 4.80% to 5.50% (YoY) whereas the net interest margin was at 4.62%.

Table 2: Loan Spread

%	2020	2019*
Yield on Loans	7.08	6.91
Cost of fund	1.58	2.11
Loan spread	5.50	4.80
Net Interest Margin	4.62	4.22

* Excluding the revision of interest income recognition and credit cost prior to TFRS 9 adoption

(2) Non-interest Income

Non-interest income totaled 5,806.23 million baht, softened by 12.6% (YoY) from a slowdown in economic activities amid the spread of COVID-19. Non-interest income from core businesses totaled 5,736.19 million baht, declined by 12.4% (YoY) mainly from a decrease in banking fee income by 1,085.37 million baht (24.6% YoY) to 3,321.19 million baht, caused by weaker bancassurance business and loan-related fee income following lower new business volume. Meanwhile, brokerage fee income increased by 66.75 million baht (9.3% YoY) to 784.80 million baht owing to higher trading volume amid volatile capital market. Asset management basic fee also increased by 115.86 million baht (8.3% YoY) to 1,514.32 million baht, thanks to the issuances of new funds in response to investors' needs. Furthermore, the Company recorded investment banking fee amounting 83 million baht from underwriting service throughout the year.

Table 3 : Non-Interest Income from Core Businesses

Type of Fee Income Unit: Million baht	2020	2019	%YoY
Banking Fee	3,321.19	4,406.56	(24.6)
<i>Bancassurance Fee</i>	2,222.94	3,129.05	(29.0)
<i>Other Banking Fee</i>	1,098.53	1,277.51	(14.0)
Asset Management Basic Fee	1,514.32	1,398.46	8.3
Brokerage Fee	784.80	718.04	9.3
Investment Banking Fee	115.60	24.76	367.0
Total Non-Interest Income from Core Businesses	5,736.19	6,547.82	(12.4)

Other non-interest income increased by 44.1% (YoY). This year, the Company recorded the gain on financial instruments measured at fair value through profit or loss (FVTPL) amounting 257 million baht to reflect an increase in investment value to be in accordance with TFRS 9.

(3) Operating Expenses

Operating expenses totaled 8,011.82 million baht, decreased by 1,258.97 million baht (13.6% YoY), resulting from a decrease in variable expenses associated with revenue and profit contraction. The Company still maintained effective operating cost control with cost to income ratio at 42.4%.

(4) Expected Credit Loss

Expected credit loss (ECL) totaled 3,330.60 million baht, increased comparing with bad debt, doubtful accounts and impairment losses of 1,109.10 million baht in 2019, and accounted for 1.42% of average loans. The increasing ECL was resulted from an increase in credit risk during an economic slowdown caused by COVID-19 pandemic. ECL for the fourth quarter further increased from the previous quarter even though the NPLs improved. However, with the resurgence of the pandemic during the end of the year, the Company considered the increase in ECL to cushion against potential risk arising from ongoing uncertainties. Moreover, the Company released the excess reserve amounting 1,056

million baht (or 264 million baht per quarter) which is subject to the gradual release under straight-line amortization method for 2-year time (Year 2020-2021) in alignment of the Bank of Thailand's guideline.

Regarding the debt relief measures by the Bank of Thailand, the Company has provided the relief programs through debt restricting and debt moratorium while the Company maintained stringent ECL impairment policy based on the actual loan repayment status in accordance with TFRS 9 standard.

(5) Corporate Income Tax

In 2020, the corporate income tax was 1,497.65 million baht, equivalent to the effective tax rate of 19.8%, increased from 19.7% in 2019. The Company has complied with law and regulations as stipulated by Revenue Department.

Table 4: Summary of Revenue, Net Profit and Income Tax Expenses 2019 and 2020

2020 Unit: Million baht				2019 Unit: Million baht			
Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses	Total Staffs	Total Revenue	Net Profit	Corporate income tax expenses
5,015	18,903.94	6,063.48	1,497.65	4,997	19,435.65	7,270.23	1,782.55

14.2 Financial Position

The Management Discussion and Analysis on operating results on financial status is a comparison between the financial positions as December 31, 2020 and December 31, 2019

(1) Assets

As of December 31, 2020, the Company's total assets were 275,443.21 million baht, decreased by 7.6% (YoY). Loan portfolio declined from 242,826.14 million baht at the end of 2019 to 224,811.55 million baht (7.4% YoY). Interbank and money market decreased from 45,300.14 million baht to 38,212.03 million baht (15.6% YoY). Moreover, investments were divided into financial assets measured at fair value through profit or loss amounting 2,173.02 million baht and net investments amounting 9,953.26 million baht.

Table 5: Assets Breakdown as of December 31, 2019 and 2020

Assets	December 31, 2020		December 31, 2019		Change (%YoY)
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Cash	1,220.21	0.4	1,102.56	0.4	10.7
Interbank and Money Market Items	38,212.03	13.9	45,300.14	15.2	(15.6)
Derivatives	62.09	0.0	21.91	0.0	183.4
Financial assets measured at fair value through profit or loss	2,173.02	0.8	-	-	n.a.
Investments – Net	9,953.26	3.6	9,363.03	3.1	6.3
Investments in subsidiaries, associates and JV	804.92	0.3	813.60	0.3	(1.1)
Loans	224,811.55	81.6	242,826.14	81.4	(7.4)
Allowance for expected credit loss	(11,825.54)	(4.3)	(10,716.71)	(3.6)	10.3
Other Assets	10,031.68	3.6	9,432.42	3.2	6.4
Total Assets	275,443.21	100.0	298,143.09	100.0	(7.6)

(2) Liabilities

As of December 31, 2020, total liabilities were 235,981.13 million baht, decreased by 8.9% (YoY). Total deposits decreased from 216,121.47 million baht to 203,509.74 million baht (5.8% YoY) and debentures declined from 24,980.00 million baht to 12,789.00 million baht (48.8% YoY). Whereas, interbank and money market increased from 4,656.13 million baht to 5,807.65 million baht (24.7% YoY).

Table 6: Liabilities Breakdown by Area as of December 31, 2019 and 2020

Liabilities	December 31, 2020		December 31, 2019		Change (%YoY)
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Deposits	203,509.74	86.2	216,121.47	83.4	(5.8)
Interbank and money market items	5,807.65	2.5	4,656.13	1.8	24.7
Debentures	12,789.00	5.4	24,980.00	9.6	(48.8)
Others	13,874.74	5.9	13,189.37	5.2	5.2
Total Liabilities	235,981.13	100.0	258,946.98	100.0	(8.9)

(3) Shareholders' Equity

As of December 31, 2020, shareholders' equity was 39,462.08 million baht, increased by 265.97 million baht (0.7% YoY) from an increase in retained earnings of the year 2020. As a result, the book value per share (BVPS) as of December 31, 2020 was 49.29 baht per share, increased from 48.96 baht per share at the end of 2019.

(4) Liquidity

As of December 31, 2020, The Company's cash was 1,220.20 million baht, increased by 10.7% (YoY). There was net cash flow received in operating activities total of 18,918.06 million baht mainly contributed by an increase of loans while net cash flow used in investing activities totaled 2,463.58 million baht, primarily from the cash paid for purchase of investment in securities held. Meanwhile, the net cash flows used in financing activities totaled 16,336.83 million baht, mainly driven by the cash paid for long-term debentures.

(5) Sources and Uses of Funds

As of December 31, 2020, the funding structure as shown in the consolidated financial statement comprised of 235,981.13 million baht in liabilities and 39,462.08 million baht in shareholders' equity, resulting in a debt-to-equity ratio of 6.0 times. The major source of funds on liabilities side was deposits, which accounted for 73.9% of total source of funds. Other sources of funds included interbank and money market items accounted for 2.1% of total source of funds, 9.7% of debenture and other liabilities, and 14.3% of shareholders' equity, respectively. The Company's major use of funds was loans, amounting 224,811.55 million baht, resulting in a loan-to-deposit ratio¹ of 110.5%. The other uses of funds include interbank and money market items, and various securities.

(6) Contingent liabilities

As of December 31, 2020, TISCO Bank, a subsidiary of The Company, had avals, guarantees, and commitments totaled 3,045.54 million baht, increased by 52.7%(YoY).

14.3 Business Segment Performances**(1) Banking Business****Loans**

Total loans and receivables as of December 31, 2020 were 224,811.55 million baht, declined by 18,014.59 million baht (7.4% YoY) from a contraction in retail lending and commercial lending. The composition of loan portfolio was 77.8% of retail loans, 16.7% of corporate loans, 4.5% of commercial loans and 1.1% of other loans.

Retail Lending

Retail Lending portfolio totaled 174,870.98 million baht, decreased by 8.3% (YoY). The total retail portfolio as of December 31, 2020 consisted of 72.7% car and motorcycle hire purchase loans, 19.4% loans against auto license and 7.9% housing loans. The outstanding hire purchase loans totaled 127,110.32 million baht, dropped by 7.9% (YoY) following stricter loan underwriting policy amidst rising risk and high level of household debt. The domestic car sale in 2020 was

¹ Deposit includes short-term borrowings from the Bank's regular client base

792,110 units, decreased by 21.4% (YoY), compared to 1,007,552 units in 2019. The car penetration rate of TISCO for the year of 2020 declined to 5.2%.

Loans against auto licenses ("Auto Cash") amounted 33,889.01 million baht, contracted by 5.0% (YoY), from all channels. Even though during the economic downturn, the demand for consumer loans remained high, however with the rising risk from economic uncertainties, the Company remained stringent and cautious on the loan underwriting policy awaiting for clarity on economic recovery. Loans from "Somwang" channels amounted 18,039.46 million baht, declined by 373.46 million baht (2.0% YoY), and accounted for 53.2% of total loans against auto licenses. Nevertheless, the Company continued the network expansion strategy, which by the end of 2020 "Somwang" loan offices totaled 347 branches nationwide.

Housing loans totaled 13,871.64 million baht, dropped by 18.4% (YoY) following highly competitive market condition and rising risk.

Corporate Lending

Commercial Lending portfolio totaled 37,433.59 million baht, increased by 2.0% (YoY), due to the loan drawdown from real estate and construction sector.

Commercial Loans

Commercial Lending portfolio totaled 10,035.11 million baht, dropped by 24.0% (YoY) owing to a slowdown in car inventory financing business during subdued economic situation.

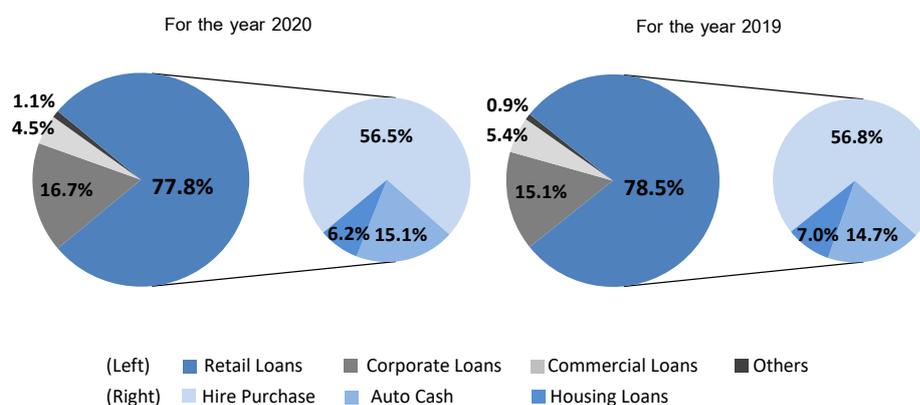
Other Loans

Other Loans portfolio totaled 2,471.87 million baht, increased by 8.2% from the previous year.

Table 7: Loans and Receivables Breakdown

Type of Business	December 31, 2020		December 31, 2019		Change (%YoY)
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Manufacturing and Commerce	1,686.33	0.8	2,630.54	1.1	(35.9)
Real Estate and Construction	16,430.04	7.3	14,674.57	6.0	12.0
Public Utilities and Services	19,317.22	8.6	19,388.66	8.0	(0.4)
Corporate Loans	37,433.59	16.7	36,693.77	15.1	2.0
Commercial Loans	10,035.11	4.5	13,200.02	5.4	(24.0)
Hire Purchase	127,110.32	56.5	137,990.30	56.8	(7.9)
Loans against auto license	33,889.01	15.1	35,660.00	14.7	(5.0)
Mortgage Loans	13,871.64	6.2	16,996.46	7.0	(18.4)
Retail Loans	174,870.98	77.8	190,646.76	78.5	(8.3)
Others	2,471.87	1.1	2,285.59	0.9	8.2
Total Loans	224,811.55	100.0	242,826.14	100.0	(7.4)

Loan Breakdown



At the end of 2020, Bank of Thailand's debt relief program phase 1 has ended. Most of the clients in the program can resume their normal debt repayment while a few of them requested for the extension of relief program phase 2.

Non-Performing Loans (NPLs) and Expected Credit Loss

At the end of 2020, the Company reported NPLs amounting 5,618.48 million baht, decreased by 215.95 million baht (3.7% YoY), and accounted for NPL ratio of 2.50%. The decline was mainly resulted from one corporate client that resumed debt repayment. On the other hand, NPLs of hire purchase loans and loans against auto licenses increased caused by an economic slowdown from the spread of COVID-19 that affected the debt serviceability of clients. Nevertheless, during the second half of the year, the Company focused more on debt collection processes, therefore NPLs of retail portfolio did not increase much comparing to at the end of 2019. In the meantime, the Company has maintained close monitoring and follow-ups to all client groups, as well as continued the cautious setup of ECL.

Stage 2 loans at the end of 2020 totaled 29,517.41 million baht, increased comparing with Special Mention loans in the previous accounting standard in 2019, mainly from the inclusion of an assessment of a significant increase in credit risk (SICR) which defined additional classification factors in addition to the loan overdue guideline, to be in accordance with TFRS 9.

Table 8: Loan Classification

Loan Classification Unit: Million baht	As of Dec 31, 2020	As of Dec 31, 2019	%YoY
Loans with no significant increase in credit risk (Performing)	189,675.65	220,168.77	(13.8)
Loans with significant increases in credit risk (Under-performing)	29,517.41	16,822.93	75.5
Loans that are credit-impaired (NPLs)	5,618.48	5,834.44	(3.7)
Total Loans	224,811.55	242,826.14	(7.4)

Table 9: NPLs Breakdown by Area

Type of NPLs	As of Dec 31, 2020		As of Dec 31, 2020		%YoY
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Manufacturing and Commerce	-	-	259.45	9.86	(100.0)
Real Estate and Construction	-	-	-	-	n.a.
Public Utilities and Services	-	-	-	-	n.a.
NPLs - Corporate Loans	-	-	259.45	0.71	(100.0)
NPLs - Commercial Loans	64.03	0.64	158.45	1.20	(59.6)
Hire Purchase	3,267.99	2.57	3,248.86	2.35	0.6
Loans against auto license	1,295.44	3.82	848.02	2.38	52.8
Housing Loans	986.35	7.11	1,315.69	7.74	(25.0)
NPLs - Retail Loans	5,549.77	3.17	5,412.57	2.84	2.5
Others	4.68	0.19	3.97	0.17	18.0
Total NPLs	5,618.48	2.50	5,834.44	2.40	(3.7)

The Company reported expected credit loss (ECL) amounting 3,330.60 million baht, increased comparing with bad debt, doubtful accounts and impairment losses of 1,109.10 million baht in 2019, and accounted for 1.42% of average loans. The increasing ECL was resulted from an economic slowdown caused by COVID-19 pandemic. ECL for the fourth quarter further increased from the previous quarter even though the NPLs improved. However, with the resurgence of the pandemic during the end of the year, the Company considered the increase in ECL to cushion against potential risk arising from ongoing uncertainties. Moreover, the Company released the excess reserve amounting 1,056 million baht (or 264 million baht per quarter) which is subject to the gradual release under straight-line amortization method for 2-year time (Year 2020-2021) in alignment of the Bank of Thailand's guideline.

Total allowance for expected credit loss of the Company was 11,825.54 million baht, which consisted of ECL impairment of 10,769.15 million baht and excess reserve of 1,056.40 million baht. Hence, loan loss coverage ratio improved to 210.5% at the end of 2020.

Deposits

Total deposits and borrowings amounted 216,298.74 million baht, decreased by 10.3% (YoY). Total deposits reported at 203,509.74 million baht, decreased by 12,611.73 million baht (5.8% YoY), and debentures decreased by 12,191.00 million baht (48.8% YoY), totaling 12,789.00 million baht. As of December 2020, the Bank had liquid assets totaling 47,272 million baht, decreased by 2,424 million baht 4.9 % (YoY). Thus, the liquid assets were accounted for 21.3% of total deposits and borrowings, and LCR ratio stood at 138.5%.

Table 10: Deposits Structure

Type of Deposits	December 31, 2020		December 31, 2019		Change (% YoY)
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Current accounts	3,199.91	1.6	2,638.32	1.2	21.3
Saving accounts	50,319.59	24.7	37,801.62	17.5	33.1
Fixed accounts	43,882.32	21.6	56,560.88	26.2	(22.4)
Negotiate certificate deposit	106,071.01	52.1	119,083.73	55.1	(10.9)
Short-term borrowings	36.92	0.0	36.92	0.0	0.0
Total Deposits	203,509.74	100.0	216,121.47	100.0	(5.8)

(2) Securities Business

In 2020, brokerage fee income of TISCO Securities grew by 9.3% (YoY) to 784.80 million baht, driven by an increase in trading volume of local institutions and retail investors. Whereas, average daily turnover of TISCO Securities weakened from 1,918.01 million baht to 1,768.61 million baht mainly from lower market trading volume of foreign institutions after the termination of the joint venture agreement in "Deutsche TISCO Investment Advisory Company Limited". TISCO Securities' market share contracted from 2.1% to 1.5% (YoY) from a decline in market share of foreign institutions and retail investors from 1.2% to 0.03% (YoY) and 1.9% to 1.5% (YoY) respectively. On the other hand, the market share of local institutions (excluding proprietary trading) increased from 6.3% to 6.7% (YoY). All in all, TISCO brokerage volume comprised of 51.0% of local institutions, 0.9% of foreign institutions, and 48.1% of retail investors.

On October 21, 2020, TISCO Securities started a business co-brand alliance with Jefferies Hong Kong Limited which is expected to support an increase in trading activity of foreign institutional investors in the future.

(3) Asset Management Business

As of December 31, 2020, assets under management of TISCO Asset Management reported at 318,567.53 million baht, improved by 9.8% (YoY) from a growth in all businesses especially provident fund. Total fee income from asset management totaled 1,571.26 million baht, decreased by 10.7% (YoY) which comprised of basic fee income amounting 1,514.32 million baht, rose by 8.3% (YoY) owing to issuances of new funds in response with investors' needs. In addition, performance fee for the year 2020 was reported at 56.95 million baht.

The composition of total asset under management was 64.7% provident fund, 18.6% private fund, and 16.7% mutual fund. Total market share of TISCO Asset Management as of December 31, 2020 was 3.9%, ranking 8th in the market. The market share of provident fund was 16.5%, ranking 1st in the market. The market share of private fund was 3.0%, ranking 5th in the market and the market share of mutual fund was 1.1%, ranking 14th in the market.

Table 11: Assets under Management Breakdown by Type of Fund as of December 31, 2019 and 2020

Type of Funds	December 31, 2020		December 31, 2019		Change (%YoY)
	Amount (Bt. million)	%	Amount (Bt. million)	%	
Provident Fund	205,993.72	64.7	184,246.82	63.5	11.8
Private Fund	59,240.02	18.6	56,824.62	19.6	4.3
Mutual Fund	53,333.79	16.7	49,167.53	16.9	8.5
Total AUMs	318,567.53	100.0	290,238.97	100.0	9.8

14.4 Capital Requirements

As of December 31, 2020, TISCO Group's internal capital (ICAAP) stood at 40,538.25 million baht comprising of Tier-I capital and available reserve adjustment. The integrated risk capital increased by 200.04 million baht from the end of 2019 to 13,024.70 million baht mainly resulting from an increase in credit risk capital. In addition, the capital surplus remained strong at 27,513.55 million baht or 67.9% of total capital.

Comparing to the end of 2019, the credit risk capital rose by 324.60 million baht, or 3.3%, to 10,188.77 million baht. Loan portfolio contracted by 7.4% mostly in retail portfolio, while non-performing loan of TISCO Group increased from 2.4% to 2.5% mainly resulting from the impact of economic slowdown due to the COVID-19 situation.

The market risk capital decreased from 206.20 million baht to 73.09 million baht as a result of an increase in SET index. Meanwhile, the overall duration gap decreased from 0.89 year to 0.70 year, which was in a manageable level. The assets duration fell from 1.39 year to 1.27 year, while the liabilities duration excluding saving and current accounts, which are less sensitive to the interest rate movement, increased from 0.50 year to 0.57 year.

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

	Duration (years)		1-Y Net interest income change to 1% interest rate increase (MB)	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020
Assets	1.27	1.39	1,213.37	1,361.11
Liabilities*	0.57	0.50	(1,110.93)	(1,384.39)
Net Gap	0.70	0.89	102.44	(23.28)

Note: * Exclude saving and current account

In terms of regulatory capital requirement of the Bank, TISCO Group, and Securities Company, the positions were strong and sufficient levels to cushion for the expansion of asset in the future. At the end of December 2020, the regulatory capital based on IRB approach of the Bank was 38,317.82 million baht, while the capital adequacy ratio (BIS ratio) stood at 22.78%, remaining higher than 11.0% required by the Bank of Thailand. Tier-I and Tier-II ratios of the Bank stood at 18.07% and 4.71%, respectively, in which Tier-I ratio also remained higher than the minimum requirement at 8.5%. For TISCO Group, the regulatory capital based on IRB approach was 40,477.63 million baht, with BIS ratio, Tier-I and Tier-II ratios at 21.86%, 17.48% and 4.38%, respectively, which also remained higher than the minimum capital requirement. Meanwhile, the net capital rule (NCR) of TISCO Securities Co., Ltd. stood at 43.47%, which was higher than the minimum required ratio by the SEC of 7.0%.

Table 13: Regulatory Capital Requirement

Capital Adequacy Unit: %	As of Dec 31, 2020	As of Dec 31, 2019
TISCO Financial Group		
Tier-I	17.5	16.3
Tier-II	4.4	4.4
BIS Ratio	21.9	20.7
TISCO Bank		
Tier-I	18.1	17.3
Tier-II	4.7	4.7
BIS Ratio	22.8	22.1

14.5 Credit Rating

The Company got credit rating 'A-' and rating outlook "Stable" as at April 17, 2020 from TRIS Rating Co., Ltd. The ratings reflect the Company's strong asset quality, capital base, profitability. The detail of credit ratings is shown as follows;

Credit Rating (Unsolicited Rating)	Announcement Date April 17, 2020
Company Rating	A-
Rating Outlook	Stable

14.6 Forward Looking

The macro environment factors that stand to impact the Company's operating performance can be broken down into economic health, market interest rate trends, and loan demand. Details on these are provided as follows:

The Company expects the domestic economy to softly recover amidst uncertainty in the global economy and fragile domestic factors. Resurgence of COVID-19 infections has pressured private consumption and tourism recovery, heightening risk to the economy. Meanwhile, the high level of household debt is a key factor which continues to pressure purchasing power and increase the fragility of financial positions. As COVID-19 vaccines are being continually developed, it is expected that mass vaccination programs will eventually bring infections under control, which, in turn, will be a positive catalyst to exports and tourism recovery – Thailand's key economic drivers. Meanwhile, accommodative fiscal and monetary policies will continue to support private spending.

On market interest rates, the Company anticipates that the Bank of Thailand will retain an accommodative monetary policy to shore up economic conditions, alongside government stimulus measures to support economic recovery throughout 2021. To limit the build-up of systemic financial risks in the long run, the Bank of Thailand has implemented macroprudential policies which bolster resilience and stability of the financial system, particularly consumer loans and market conduct. These policies are key factors that weigh on commercial bank lending, leading to sluggish overall loan growth.

The Company anticipates that the credit business will be limited to growing in line with economic conditions. Domestic car sales, key to the hire purchase business of the Company, are expected to slightly rise from the previous year, driven by attractive promotional campaigns for new car models. Meanwhile, the auto cash business is expected to grow in line with higher loan demand. For the wealth management business, the Company expects moderate growth driven by the search for yield amid the low interest rate environment as well as Thailand's aging society. These factors increase interest in financial planning, including life and health insurance in the long run.

Looking ahead, the domestic economy should gradually recover along with global economy. However, the recovery is surrounded with uncertainty, particularly recovery in consumer purchasing power. Thus, the Company will continue to follow our focused strategies, good corporate governance, prudent business practice, strong risk management disciplines and customer-centric product and service development in order to ensure business continuity and resiliency in the long run.

Certification of the Accuracy of Information

The Company has examined the information contained in this annual registration statement and hereby certify that the information contained herein is neither false nor misleading nor missing any material information. The Company further certify that:

- (1) The financial statements and financial summary in this registration statement present fairly, in all material respects, the financial position, the results of the operations and cash flows of the Company and subsidiary companies.
- (2) The Company provides sound information disclosure systems to ensure that the Company has accurately disclosed all the Company's and subsidiary companies' material information and that all the procedures of the said systems were followed properly.
- (3) The Company provides reliable internal control system and ensures that the Company has comprehensively complied with the said system. Moreover, the Company has reported the internal control assessment as of February 11, 2021 to the auditor and the Audit Committee. The information presented includes errors and significant changes, if any, of the internal control systems as well as any misconduct which might have an effect on the preparation of the Company's and subsidiary companies' financial statements.

In order to ensure the authenticity and the wholeness of the said documents, the Company authorizes Mr. Pairat Srivilairit or Mr. Kontee Sunthornpradit to sign every page of each document. If any document does not contain the signature of Mr. Pairat Srivilairit or Mr. Kontee Sunthornpradit, the Company will deem that such document is not the document that the Company certified.

Authorized Signatory

Name	Position	Signature
Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board	<u>- Suthas Ruangmanamongkol -</u>
Mr. Sakchai Peechapat	Executive Director	<u>- Sakchai Peechapat -</u>

Attorney

Name	Position	Signature
Mr. Pairat Srivilairit	Executive Vice President - Governance Office	<u>- Pairat Srivilairit -</u>
Mr. Kontee Sunthornpradit	Financial Controller	<u>- Kontee Sunthornpradit -</u>



Attachment 1 Details of Directors, Management and Controlling Persons and Corporate Secretary

1.1 Details of Directors, Management and Controlling Persons and Corporate Secretary as of February 1, 2021

Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>1. Mr. Pliu Mangkornkanok Chairman of the Board of Directors Independent Director</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: June 26, 2020</p>	72	<p>Master of Business Administration (Finance) University of California at Los Angeles, USA</p> <p>Master of Science (Industrial Engineering) Stanford University, USA</p> <p>Bachelor of Engineering (Industrial Engineering) Chulalongkorn University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Director Certification Program - Role of the Chairman Program - Audit Committee Program - Strategic Board Master Class - IOD Director Briefing 1/2018: "Burning Issues Directors Need to Hear in the Year of the Dog" - Board Matters and Trends (BMT) - Chairman Dinner 2018 "Social Responsibilities in Action" - IOD Forum: Tough Boardroom Situations - Independent Directors Share Lessons Learned - Board of the year, Board of the Future - Independent Director Forum 1/2019: Tips and Tricks for Dealing with Questions in AGM Thai Institute of Directors - Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call and Launching Ceremony of Thailand's Responsible Lending Guidelines - Bangkok FinTech Fair 2018: SME & Consumer Financial Solutions - Bangkok Sustainable Banking Forum 2018 - BOT OMFIF High-Level Seminar: Shaping the Future of Central Banks - IT Governance & Cyber Resilience Bank of Thailand - Executive Program in Energy Literacy for a Sustainable Future (Class 5) Thailand Energy Academy - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Certificate of Capital Market Academy Leadership Program (Class of 10th) Capital Market Academy <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 	<p>Common 2,221,010 (0.28)</p> <p>Preferred -</p>	-	<p><u>TISCO Group</u></p> <p>2012-Present Independent Director 2010-Present Chairman of the Board of Directors 2012-Present Independent Director 2009-Present Chairman of the Board of Directors <i>Others Company with Conflict of Interest</i> - <u>Other Listed Company</u></p> <p>2016-Present Vice Chairman Member of Human Resources Committee</p> <p>2012-Present Independent Director Nov2020-Present Member of Audit Committee 2012-Nov2020 Chairman of the Audit Committee <i>Others Non-Listed Company</i></p> <p>2019-Present Advisor 2010-2019 Director 2016-Present Director</p> <p>2011-Present Director</p> <p>2019-Present Advisor 2011-2019 Director 2011-Present Vice Chairman 2015-2018 Advisor</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>Star Petroleum Refining Public Company Limited (Refinery)</p> <p>Design 103 International Limited (Architect Consultant and Designer) Amata Spring Development Company Limited (Golf and country club) Chuchawal-Royal Haskoning Company Limited (Engineering Consultant)</p> <p>Sem Pringuangkeo Foundation</p> <p>TISCO Foundation Thai Institute of Directors</p>	



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>2. Mr. Hon Kit Shing (Alexander H. Shing) Vice Chairman of the Board of Directors Member of the Nomination and Compensation Committee</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: June 26, 2020</p>	43	<p>Bachelor of Science (Economics) Massachusetts Institute of Technology, USA</p>	<p>Common - Preferred -</p>	-	<p>2010-Present 2008-Present 2017-Present 2012-Present 2012-Present 2012-Present 2008-Present Jun 2020-Present</p>	<p><i>TISCO Group</i> Vice Chairman Member of the Nomination and Compensation Committee <i>Other Company with Conflict of Interest</i> - <i>Others Listed Company</i> Independent Director <i>Others Non-Listed Company</i> Chairman of the Board of Directors and Chief Executive Officer Chief Executive Officer Chief Executive Officer Senior Advisor Executive Chairman, Managing Director and Chief Restructuring Officer <i>Others Organization</i> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>Shin Kong Textile Public Company Limited (Import and Export Industry)</p> <p>Cottonwood Group (Real Estate) Boston Seaport M1&2 Development Limited Liability Company (Real Estate) 5th Ave Gateway Development Limited Liability Company (Real Estate) CDIB & Partners Investment Holding Corporation (Investment) Whittle School & Studios Holdings, Ltd. (Educational)</p>
<p>3. Mr. Suthas Ruangmanamongkol Director Chairman of the Executive Board (Authorized Signatory)</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: June 26, 2020</p>	59	<p>Master of Science (Finance) University of Wisconsin-Madison, USA Master of Business Administration (Finance) Western Illinois University, USA Bachelor of Engineering (Computer Engineering) Chulalongkorn University <i>Public Training</i> - Director Certification Program - Board of the year, Board of the Future Thai Institute of Directors - Situation, Trend and Growth of Sustainability Development Thaipat Institute <i>In-House Training</i> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Culture of Innovation at Google Google (Thailand) Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO - The Capital Markets Company Limited</p>	<p>Common 4,100,000 (0.51) Preferred -</p>	-	<p>2019-Present 2008-Present 2017-Present 2015-2018 2009-2019 2019-Present 2009-Present 2009-2019 2009-2016 Apr2017-2019 2013-Present 2010-Present 2010-2018 2009-Present 2010-2016</p>	<p><i>TISCO Group</i> Chairman of the Executive Board Director Group Chief Executive Chief Operating Officer Member of the Executive Board Chairman of the Executive Board Director Member of the Executive Board President Chairman of the Board of Directors Audit Committee <i>Other Company with Conflict of Interest</i> - <i>Others Listed Company</i> - <i>Others Non-Listed Company</i> Director Director Director <i>Others Organization</i> Director Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>TISCO Asset Management Company Limited (Asset Management)</p> <p>Dole Thailand Company Limited (Food & Beverage) PDTL Trading Company Limited (Distributor of electric wires and cable) Phelps Dodge International (Thailand) Company Limited (Manufacture of wire and cable products)</p> <p>TISCO Foundation The Thai Bankers' Association</p>



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<ul style="list-style-type: none"> - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 					
<p>4. Assoc. Prof. Dr. Angkarat Priebjivat</p> <p>Independent Director Chairperson of the Audit Committee</p> <p>The Director's date of first appointment: September 4, 2008</p> <p>The Director's date of latest appointment: June 26, 2020</p>	65	<p>Doctor of Philosophy (Accounting) New York University, USA</p> <p>Master of Science (Accounting) Thammasat University</p> <p>Bachelor of Business Administration (Accounting) Thammasat University</p> <ul style="list-style-type: none"> - Audit Committee Program - Director Certification Program - Director Accrediation Program - Monitoring the Internal Audit Function - Role of the Chairman Program - Anti-Corruption for Executive Program - Monitoring Fraud Risk Management - Monitoring the System of Internal Control and Risk Management - Driving Company Success with IT Governance (ITG) 6/2017 - R-ACF-Audit Committee Forum - Audit Committee Forum 2018: Learn, unlearn and relearn - Audit Committee in the Age of Disruption - DCP Series 4/2019: How to Develop a Winning Digital Strategy - Board of the Year, Board of the Future - Thai Institute of Directors - Certificate in International Financial Reporting Standards (IFRS) - The Institute of Chartered Accountants in England and Wales (ICAEW) - Certificate of Capital Market Academy Leadership Program - Capital Market Academy - IT Security Awareness for Top Management - Bank of Thailand <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence - ACIS Professional Center Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Role of Financial Sector in Fighting Corruption - Thai Institute of Directors - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis - Bain & Company, Inc. 	<p>Common -</p> <p>Preferred -</p>	-	<p>Apr2013-Present 2008-Present Apr2013-Present</p> <p>Oct2019-Present</p> <p>2014-Present 2008-Present</p> <p>2016-present</p> <p>2012-Present 2002-Present</p> <p>1992-Present 2018-Jan2020</p> <p>2016-2019 2014-2018 2018-2020</p>	<p><u>TISCO Group</u></p> <p>Chairperson of the Audit Committee Independent Director Chairperson of the Audit Committee Independent Director <u>Other Company with Conflict of Interest</u></p> <p>-</p> <p><u>Others Listed Company</u></p> <p>Independent Director Member of the Audit Committee Member of the Corporate Governance and Sustainable Development Committee</p> <p>Chairperson of the Risk Management Committee Independent Director Chairperson of the Audit Committee <u>Others Non-Listed Company</u></p> <p>Director and Member of the Audit Committee</p> <p><u>Others Organization</u></p> <p>Member of the Audit Committee Government Accounting Standards Committee</p> <p>Advisor to the Listing and Disclosure Department Independent Director Member of the Audit Committee Member of the Risk Management Committee Member of Finance and Accounting Subcommittee Director and Member of the Audit Committee Advisor to the Fundraising and the Listing and Disclosure Department</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>PTT Exploration and Production Public Company Limited (Petroleum Exploration and Production)</p> <p>COL Public Company Limited (Supplier of full line office products)</p> <p>TSFC Securities Public Company Limited (Liquidity provider to securities business)</p> <p>Thai Public Broadcasting Service (Thai PBS)</p> <p>The Comptroller General's Department, Ministry of Finance</p> <p>The Stock Exchange of Thailand</p> <p>TOT Public Company Limited</p> <p>State Railway of Thailand</p> <p>Tourism Authority of Thailand</p> <p>The Securities and Exchange Commission</p>



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
<p>5. Prof. Dr. Pranee Tinakorn Independent Director Chairperson of the Nomination and Compensation Committee Member of the Corporate Governance Committee</p> <p>The Director's date of first appointment: December 30, 2008</p> <p>The Director's date of latest appointment: June 26, 2020</p>	71	<p>Doctor of Philosophy (Economics) Master of Arts (Economics) University of Pennsylvania, USA Bachelor of Arts (Economics) Swarthmore College, USA</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Driving Company Success with IT Governance Program - How to Develop a Risk Management Plan - Role of the Compensation Committee - Anti-Corruption for Executive Program - Financial Institutions Governance Program - Director Certification Program - Monitoring Fraud Risk Management Program - Monitoring the System of Internal Control and Risk Management Program - Monitoring the Quality of Financial Reporting Program - Monitoring the Internal Audit Function Program - Audit Committee Program - Director Accreditation Program - Board of the Year, Board of the Future - Thai Institute of Directors - Workshop on "Board Oversight of Cyber Risk Management" - The Securities and Exchange Commission <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence - ACIS Professional Center Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Situation, Trend and Growth of Sustainability Development - Thaipat Institute - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours - CAPCO - The Capital Markets Company Limited - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis - Bain & Company, Inc. 	<p>Common - Preferred -</p>	-	<p>Apr2013-Present 2008-Present 2019-2021</p> <p>Dec2018-Present 2014-2016 Aug2012-Sep2016 Feb2018-Present</p> <p>Jun2017-Present 2008-Present 2005-Present 2020-Present 2009-2020</p>	<p><u>TISCO Group</u> Chairperson of the Nomination and Compensation Committee Independent Director Member of the Corporate Governance Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> - <u>Others Organization</u> Member of the Audit Committee Chairperson of the Audit Committee Board of Governors of Thai Public Broadcasting Service (Thai PBS) Associate Fellow of the Office of the Royal Society, the Academy of Moral and Political Sciences, Social Science, Economics Director of the Economics Vocabulary Glossary Executive Director Member of TDRI Council of Trustees Honorable Committee Member University Council Director</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>Thai Public Broadcasting Service (Thai PBS)</p> <p>Office of the Royal Society</p> <p>Thailand Development Research Institute (TDRI)</p> <p>Mahidol University Krirk University</p>



Name / Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
9. Dr. Kulpatra Sirodom Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee The Director's date of first appointment: April 22, 2019 The Director's date of latest appointment: June 26, 2020	64	Doctor of Philosophy (Finance) University of Pittsburgh, USA Master of Business Administration (Banking and Finance) West Virginia University, USA Bachelor of Business Administration (Banking and Finance) Thammasat University <u>Public Training</u> - Audit Committee Program - Director Certification Program - Board of the Year, Board of the Future Thai Institute of Directors - Global Association Risk Professional The Global Association of Risk Professional - Bangkok Sustainable Banking Forum - IT Governance & Cyber Resilience Bank of Thailand <u>In-House Training</u> - Culture of Innovation at Google Google (Thailand) Company Limited - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	2019-Present 2019-Present 2018-Present 2017-Present 2013-Present 2012-Present 2010-Present 1994-Present 2009-2018 2002-2018 2014-2017 Feb2021-Present 2018-Present 2018-Present 2017-Present 2013-Present 2013-Present 2006-Present 2016- Jan2020 2016-Jan2020 2013-2020 2013-2017 2011-2017 2013-2016 2010-2016	<u>TISCO Group</u> Independent Director Member of the Audit Committee Member of the Nomination and Compensation Committee Independent Director Member of the Audit Committee <u>Other Company with Conflict of Interest</u> - <u>Others Listed Company</u> Independent Director Chairperson of the Audit Committee Independent Director Chairperson of the Audit Committee Chairperson of the Corporate Governance Committee Chairperson of the Audit Committee Independent Director Independent Director Chairperson of the Audit Committee Independent Director Member of the Audit Committee Member of the Corporate Social Responsibility Committee Independent Director Member of the Audit Committee <u>Others Non-Listed Company</u> Independent Director <u>Others Organization</u> Director Member of the Audit Committee Member of the Nomination and Compensation Committee Director Chairperson of the Audit Committee Director Treasurer Director Chairperson of the Audit Committee Expert Member Director Director Independent Director Independent Director Chairperson of Risk Management Sub-committee Expert Member Expert Member on Risk Management Sub-Committee Advisor Revolving Evaluation Sub-Committee Member of the Risk Management Sub-Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) Thai Group Holding Public Company Limited (Insurance and Leasing) The Erawan Group Public Company Limited (Hotel) Thai Wacoal Public Company Limited (Consumer Goods) Thai President Food Public Company Limited (Agriculture and Food Industry) The Siam Commercial Bank Public Company Limited (Commercial Bank) President Bakery Public Company Limited (Agriculture and Food Industry) Total Industrial Services Company Limited (Properties Development and Construction) The Stock Exchange of Thailand (Independent organization) Mae Fah Luang Foundation Under Royal Patronage (Foundation) Social Enterprise Thailand Association (Association) Thai Listed Companies Association (Association) Sripatum University Council (Educational Institution) Southeast Bangkok College Council (Educational Institution) The Professor Sangvian Indaravijaya Foundation (Foundation) Thailand Securities Depository Company Limited (Securities Services Related to Trading) Thailand Clearing House Company Limited (Securities Services Related to Trading) Commission Policy on Private Participation in State Affairs (Government Sector) Social Security Fund (Government Sector) The Federation of Accounting Professions under the Royal Pratonage of his Majesty the King (The Federation of Accounting Professions) The Comptroller General's Department (Government Sector) Government Pension Fund (Government Sector)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					2006-2016 2013-2015	Director Associate Professor of Department of Finance	H.R.H. Prince Pijitirapa Tevakul Foundation (Foundation) Faculty of Commerce and Accountancy, Thammasat Thammasat University (Educational Institution)
10. Mr. Chi-Hao Sun Director Member of the Executive Board (Authorized Signatory) The Director's date of first appointment: June 29, 2011 The Director's date of latest appointment: June 26, 2020	43	Master of Science (Finance) Bentley University, USA Master of Business Administration Boston University, USA Bachelor of Arts (Economics) Taipei University, Taiwan <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited	Common - Preferred -	-	2012-Present 2011-Present Apr2014-Present 2012-Present 2013-Present	TISCO Group Member of the Executive Board Director Director Member of the Executive Board <i>Other Company with Conflict of Interest</i> - <i>Others Listed Company</i> - <i>Others Non-Listed Company</i> Senior Vice President <i>Others Organization</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) CDIB & Partners Investment Holding Corporation (Investment)
11. Mr. Satoshi Yoshitake Director Member of the Executive Board (Authorized Signatory) The Director's date of first appointment: April 23, 2019 The Director's date of latest appointment: June 26, 2020	59	Master of Business Administration Emory University, USA Bachelor of Economics Keio University, USA <u>Public Training</u> - Director Accreditation Program Thai Institute of Directors <u>In-House Training</u> - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	2019-Present 2019-Present 2020-Present Jul2018-2020 Jul2018-Present May2012-Present	TISCO Group Director Member of the Executive Board Director Member of the Executive Board Director Managing Director Managing Director Director <i>Other Company with Conflict of Interest</i> - <i>Others Listed Company</i> - <i>Others Non-Listed Company</i> Employee (International Business Unit) <i>Others Organization</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Tokyo Leasing Company Limited (Leasing) HTC Leasing Company Limited (Leasing) Tokyo Century Corporation (Financial Service)
12. Mr. Sakchai Peechapat Director Member of the Executive Board Member of the Risk Oversight Committee Group Chief Executive (Authorized Signatory) The Director's date of first appointment: April 22, 2019 The Director's date of latest appointment: June 26, 2020	53	Master of Business Administration (International Business) University of Hawaii at Manoa, USA Bachelor of Engineering (Civil Engineering) (Honors) Kasetsart University <u>Public Training</u> - Director Certification Program - Director Accreditation Program - Innovating from Necessity: The Digital Business Building Imperative in the Current Crisis - Board of the Year, Board of the Future Thai Institute of Directors - Certificate of Executive Leadership Program, Class 27 Capital Market Academy - Thailand Insurance Leadership Program, Class 3 OIC Advanced Insurance Institute - Financial Executive Development Program (FINEX 14) The Thai Institute of Banking and Finance Association - Japan-focused Management Program Japan-America Institute of Management Science, USA	Common 66,177 Preferred (0.01) -	-	Apr2021-Present 2019-Present 2019-Mar2021 2010-2016 2019-Present 2017-Present 2017-Mar2021 2010-2016 2015-2017 2010-2017 2009-2017 2009-2017	TISCO Group Group Chief Executive Member of the Risk Oversight Committee Member of the Executive Board Director Chief Operating Officer Vice President Member of the Risk Oversight Committee Director Member of the Executive Board President Senior Executive Vice President - Retail Banking Chairman of the Board Director Chairman of the Board Director Chairman of the Board Director Chairman of the Board Director <i>Other Company with Conflict of Interest</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) HTC Leasing Company Limited (Leasing) Hi-Way Company Limited (Hire Purchase) TISCO Tokyo Leasing Company Limited (Leasing)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<ul style="list-style-type: none"> - IT Governance & Cyber Resilience Bank of Thailand - Super Thailand Insurance Leadership Program, Class 1 Office of Insurance Commission (OIC) <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Situation, Trend and Growth of Sustainability Development Thaipat Institute - Role of Financial Sector in Fighting Corruption Thai Institute of Directors - Opportunities in Financial Services as a result of Digital disruption and changing customer behaviours CAPCO-The Capital Markets Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 			2006-Present	<ul style="list-style-type: none"> <u>Others Listed Company</u> - <u>Others Non-Listed Company</u> Independent Director <u>Others Organization</u> - 	AXA Insurance (Thailand) Public Company Limited (Insurance)
13. Ms. Krisna Theravuthi Advisor to TISCO's Board of Directors	70	<ul style="list-style-type: none"> Master of Business Administration (Marketing) University of Wisconsin-Madison, USA Bachelor of Accountancy (Accounting) Chulalongkorn University <u>Public Training</u> - Director Certification Program - Director Accreditation Program - Effective Audit Committee and Best Practices Program - Audit Committee Program - Monitoring the System of Internal Control and Risk Management Program - Role of Compensation Committee Program - Role of the Chairman Program Thai Institute of Directors 	Common - Preferred -	-	<ul style="list-style-type: none"> Jun2013-Present 1986-Present 2012-Present 2010-Present 2010-Present 2016-Present 	<ul style="list-style-type: none"> <u>TISCO Group</u> Advisor to TISCO's Board of Directors <u>Others</u> Chairman of the Board Director Vice President Honorary Director Chairman 	<ul style="list-style-type: none"> TISCO Financial Group Public Company Limited (Holding Company) Thavorn Udon Company Limited (Hotel) Krua Charoen Company Limited (Food & Beverage) Business and Professional Women's Association of Thailand - Udontani Udonthani Vocational College Northeast Community Center of Mental Retardation
14. Mr. Metha Pingsuthiwong Chief Operating Officer President	54	<ul style="list-style-type: none"> Master of Business Administration (Finance) University of Wisconsin-Milwaukee, USA Bachelor of Engineering (Electrical Engineering) Chulalongkorn University <u>Public Training</u> - Director Certification Program Thai Institute of Directors - IT Governance & Cyber Resilience Year 2019 - Bangkok Sustainable Banking Forum 2019 Bank of Thailand - Capital Market Outlook FETCO 	Common 195,800 (0.02) Preferred -	-	<ul style="list-style-type: none"> Apr2021-Present Feb2017-Mar2021 Jan2010-Jan2017 Apr2021-Present 2019-Present Feb2017-Present Jul2013-Jan2017 2019-Present 	<ul style="list-style-type: none"> <u>TISCO Group</u> Chief Operating Officer Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President President Member of the Risk Oversight Committee Senior Executive Vice President - Wealth management & Banking Services First Executive Vice President - Retail Banking Chairman of the Board Member of the Audit Committee 	<ul style="list-style-type: none"> TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Securities Company Limited (Securities)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence - ACIS Professional Center Company Limited - Cybersecurity Threatscape and You - TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis <p>Bain & Company, Inc.</p>			<p>2017-2019 2019-Present</p> <p>2017-2019 Apr2019-2020</p> <p>1999-2018</p>	<p>Director Chairman of the Board Member of the Audit Committee</p> <p>Director Director</p> <p><u>Others</u> Director</p>	<p>TISCO Asset Management Company Limited (Asset Management)</p> <p>TISCO Investment Advisory Securities Company Limited (Investment Advisory)</p> <p>K-Line (Thailand) Company Limited (Transportation)</p>
<p>15. Mr. Pitada Vatcharasiritham Senior Executive Vice President</p>	56	<p>Master of Business Administration Indiana University of Pennsylvania, USA</p> <p>Bachelor of Economics Thammasat University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Certificate of Executive Leadership Program - Capital Market Academy - Corporate Governance for Capital Market Intermediaries (2016) - Thai Institute of Directors - Executive Management with Business Development and Investment (Class 5) - Institute of Business and Industrial Development <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Chairman/Board perspectives on Corporate Strategy, beyond the crisis <p>Bain & Company, Inc.</p>	<p>Common 80,000 (0.01)</p> <p>Preferred -</p>	-	<p>Jan2013-Present</p> <p>2010-Present</p> <p>2011-Present</p>	<p><u>TISCO Group</u></p> <p>Senior Executive Vice President</p> <p>Senior Executive Vice President - Corporate Banking</p> <p>Director</p> <p><u>Others</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>TISCO Securities Company Limited (Securities)</p>
<p>16. Mr. Chalit Silpsrikul Senior Executive Vice President</p>	59	<p>Master of Business Administration</p> <p>Bachelor of Accountancy (Accounting) Thammasat University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Financial Executive Development Program (FINEX 14) - The Thai Institute of Banking and Finance Association - Management Skill Development Course - Crestcom Bullet Proof Manager - Directors Certification Program - Thai Institute of Directors <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Culture of Innovation at Google - Google (Thailand) Company Limited - Cybersecurity Threatscape and You - TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis <p>Bain & Company, Inc.</p>	<p>Common 79 (0.00)</p> <p>Preferred -</p>	-	<p>Feb2017-Present</p> <p>Jul2013-Jan2017</p> <p>Feb2017-Present</p> <p>Jul2013-Jan2017</p> <p>Mar2017-Present</p>	<p><u>TISCO Group</u></p> <p>Senior Executive Vice President</p> <p>First Executive Vice President</p> <p>Senior Executive Vice President - Retail Banking</p> <p>First Executive Vice President - Wealth Management</p> <p>Chairman of the Board</p> <p><u>Others</u> -</p>	<p>TISCO Financial Group Public Company Limited (Holding Company)</p> <p>TISCO Bank Public Company Limited (Commercial Bank)</p> <p>TISCO Tokyo Leasing Company Limited (Leasing)</p>



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)		Family Relationship with other Management	Work Experience within 5 years		
						Period	Position	Company / Organization (Type of Business)
17. Mr. Chatri Chandrangam Senior Executive Vice President Risk and Financial Control	50	Master of Finance (Distinction) Imperial College, London, UK Master of Business Administration (International Business) Schiller International University, UK Bachelor of Business Administration (Banking & Finance) Chulalongkorn University Certified Financial Analyst CFA Institute, USA <u>Public Training</u> - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Director Certification Program Thai Institute of Directors - TFRS 9 Workshop: Classification Measurement Federation of Accounting Professions - Update on IFRS9 and other new standards - Transfer Pricing - Related Party Transaction and Impairment Issues Thai Listed Companies Association <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common 30,000 (0.00)	Preferred -	-	TISCO Group Apr2021-Present Senior Executive Vice President 2017-Mar2021 First Executive Vice President - Risk and Financial Control Jan2021-Present Acting Head of Corporate Communication 2012-2019 Acting Head of Investment 2010-2017 Executive Vice President - Risk and Financial Control 2011-Present Director 2011-Present Director 2009-Present Director 2009-Present Director 2007-Present Director 2019-2020 Director 2015-2017 Director 2011-2017 Director 2009-2017 Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) TISCO Learning Center Company Limited (Learning Center) TISCO Securities Company Limited (Securities) Hi-Way Company Limited (Hire Purchase) TISCO Asset Management Company Limited (Asset Management) TISCO Investment Advisory Securities Company Limited (Investment Advisory) HTC Leasing Company Limited (Leasing) TISCO Leasing Company Limited (Leasing) TISCO Tokyo Leasing Company Limited (Leasing)	
18. Mr. Paiboon Nalinthrangkurn Senior Executive Vice President	53	Master of Business Administration (Finance) Indiana University at Bloomington, USA Bachelor of Arts (Computer Science) University of California at Santa Cruz, USA Chartered Financial Analyst CFA Institute, USA <u>Public Training</u> - Certificate of Capital Market Academy Leadership Program Capital Market Academy - Corporate Governance for Capital Market Intermediaries (CGI12/2016) - Director Certification Program - Audit Committee Program Thai Institute of Directors <u>In-House Training</u> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited	Common 286,000 (0.04)	Preferred -	-	TISCO Group Apr2021-Present Senior Executive Vice President 2010-Mar2021 First Executive Vice President 2006-Present Chief Executive Officer 2005-Present Director <u>Others</u> 2018-Present Chairman 2017-Present Chairman 2009-Present Chairman 2014-2015 Member of the National Reform Council 2014-2015 Member of the National Reform Council	TISCO Financial Group Public Company Limited (Holding Company) TISCO Securities Company Limited (Securities) Federation of Thai Capital Market Organizations Asian Securities and Investment Federation Investment Analysts Association The National Reform Council The National Reform Council	
19. Mr. Yuttpong Sriwongjanya First Executive Vice President	54	Master of Business Administration The University of Mississippi, USA Bachelor of Science (Materials Science) Chulalongkorn University <u>Public Training</u> - Financial Executive Development Program (FINEX) The Thai Institute of Banking and Finance Association - Seminar; Market Conduct: How to strengthen Bank of Thailand	Common -	Preferred -	-	TISCO Group Apr2021-Present First Executive Vice President Feb2017-Mar2021 Executive Vice President Apr2021-Present First Executive Vice President - Retail Banking - Sales & Marketing 2 Feb2017-Mar2021 Executive Vice President - Retail Banking - Sales & Marketing 2 2013-Jan2017 Assistant Executive Vice President - Retail Banking - Branch Channel Jul2013-2015 Assistant Executive Vice President - Branch Channel Sales 2016-Present Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) All-Ways Company Limited (E-marketplace Platform)	



Name / Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence - ACIS Professional Center Company Limited - Cybersecurity Threatscape and You - TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability - Sustainable Business Development Institute 			2013-Present	<p>Director</p> <p><u>Others</u></p> <p>-</p>	Hi-Way Company Limited (Hire Purchase)
<p>20. Mr. Dejphinun Suthadsanasoung First Executive Vice President</p>	51	<p>Master of Business Administration Eastern Michigan University, USA</p> <p>Bachelor of Business Administration (Finance) Assumption University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Privacy Law and Cybersecurity - The Office of the Securities and Exchange Commission - Thailand Data Protection Law - Thai Bankers Association <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Cybersecurity Threatscape and You - TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited 	<p>Common -</p> <p>Preferred -</p>	-	<p>Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2010-Jan2017 2017-Present</p> <p>2016-Present</p> <p>2008-Present</p>	<p><u>TISCO Group</u></p> <p>First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Operations Executive Vice President - Retail Banking - Operations Assistant Executive Vice President - Retail Banking - Operations Chairman of the Board of Director</p> <p>Director</p> <p>Director</p> <p><u>Others</u></p> <p>-</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>HTC Leasing Company Limited (Leasing) All-Ways Company Limited (E-marketplace Platform) TISCO Tokyo Leasing Company Limited (Leasing)</p>
<p>21. Mr. Rungroj Jarasvijitkul First Executive Vice President</p>	54	<p>Master of Business Administration Chulalongkorn University</p> <p>Bachelor of Business Administration (Finance) Chulalongkorn University</p> <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence - ACIS Professional Center Company Limited - Cybersecurity Threatscape and You - TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand - KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society - Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability - Sustainable Business Development Institute - IT Security Awareness for Top Management - ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis - Bain & Company, Inc. 	<p>Common -</p> <p>Preferred -</p>	-	<p>Apr2021-Present Mar2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2015-Jan2017</p> <p>2009-2015</p> <p>Sep2018-Present</p>	<p><u>TISCO Group</u></p> <p>First Executive Vice President Executive Vice President First Executive Vice President - Retail Banking - Sales & Marketing 1 Executive Vice President - Retail Banking - Sales & Marketing 1 Assistant Executive Vice President - Retail Banking - Product & Marketing Deputy Head of Retail Banking - Bangkok Channel Head of Bangkok Channel Director</p> <p><u>Others</u></p> <p>-</p>	<p>TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)</p> <p>TISCO Insurance Solution Company Limited (Insurance)</p>



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
22. Mr. Picha Ratanatam First Executive Vice President	49	Master of Business Administration (Finance) California State University at San Diego, USA Bachelor of Business Administration (Applied Statistics) Chulalongkorn University <u>Public Training</u> - Strategic Board Master Class Thai Listed Companies Association - Financial Executive Development (FINEX) The Thai Institute of Banking and Finance Association - CFP Professional Forum Thai Financial Planners Association <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Apr2021-Present Feb2017-Mar2021 2013-Jan2017 2019-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President First Executive Vice President - Wealth Management & Banking Services Executive Vice President - Wealth Management Assistant Executive Vice President - Wealth Management Director <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank) TISCO Asset Management Company Limited (Asset Management)
23. Ms. Pavinee Ongvasith First Executive Vice President	52	Master of Finance/Management/Economics Oregon State University Bachelor of Engineering Chulalongkorn University <u>In-House Training</u> - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present 2019-Mar2021 2016-2018 2018-Present 2016-Present 2011-2017 2018-Present	<u>TISCO Group</u> First Executive Vice President Executive Vice President Assistant Executive Vice President Chief Executive Officer Director Head of Asset Management - Investment <u>Others</u> Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Fitch Ratings Limited (Provider of Credit Ratings)
24. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	55	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Sep2013-Present 2013-2016 Sep2013-Present Sep2013-Present Sep2013-2018	<u>TISCO Group</u> First Executive Vice President - Governance Office Executive Vice President - Governance Office Corporate Secretary Head of Governance Office Director Director Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) Hi-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<p><u>Public Training</u></p> <ul style="list-style-type: none"> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CG115/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future Thai Institute of Directors - GRI Certified Training on G4 reporting Guidelines Thaipat Institute - Anti-Corruption Strategic Management for Senior Executives Office of the National Anti-Corruption Commission - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption Bank of Thailand and the Thai Bankers' Association <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 			<p><u>Others</u></p> <ul style="list-style-type: none"> 2019-Present Member of the Audit Committee 2019-Present Director 2011-Present Member of Internal Audit Quality Assurance Committee 2010-Present Member of Internal Audit Development Committee 2010-Present Member of Risk Management Committee 	<ul style="list-style-type: none"> Srinakharinwirot University The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration 	
<p>25. Ms. Wanthana Chotchaisathit Assistant Executive Vice President Information Technology</p>	55	<p>Master of Business Administration Kasetsart University</p> <p>Bachelor of Science (Statistics) Kasetsart University</p> <p><u>Public Training</u></p> <ul style="list-style-type: none"> - Thailand Data Protection Law The Thai Bankers Association - Cybersecurity Act 2019, Personal Data Protection Act 2019 - IT Governance & Cyber Resilience Bank of Thailand - CIO Summit 2019 Race to Reinvent The Digital Determination Playbook International Data Corporation (IDC) - Huawei Global FSI Summit 2019, Huawei - Blockchain Based Business Model Change The Securities and Exchange Commission <p><u>In-House Training</u></p> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited 	<p>Common 23,161 (0.00)</p> <p>Preferred -</p>	-	<p>Feb2019-Present 2018-2019 2014-Present</p>	<p><u>TISCO Group</u></p> <ul style="list-style-type: none"> Executive Vice President - Information Technology Assistant Executive Vice President - Information Technology Director Managing Director <p><u>Others</u></p> <p>-</p>	<ul style="list-style-type: none"> TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
		<ul style="list-style-type: none"> - Culture of Innovation at Google Google (Thailand) Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 					
26. Ms. Rachada Pruksanubal Executive Vice President	50	Master of Business Administration (Finance) Thammasat University Master of Engineering (Computer Engineering) Tokyo Institute of Technology Bachelor of Engineering (Computer Engineering) Chulalongkorn University <u>In-House Training</u> <ul style="list-style-type: none"> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc. 	Common 79,000 (0.01) Preferred -	-	Apr2021-Present 2019-Mar2021 Apr2021-Present 2018-Present 2018-2019 2004-2017	<u>TISCO Group</u> Executive Vice President Assistant Executive Vice President Executive Vice President - Banking Services Head of Banking Services Acting Head of Treasury Acting Head of Fund Operation Deputy Head of Treasury <u>Others</u> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Bank Public Company Limited (Commercial Bank)
27. Mr. Theeranat Rujimethapas Executive Vice President	53	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Business Administration (General Marketing) Chulalongkorn University <u>Public Training</u> <ul style="list-style-type: none"> - Capital Market Academy Program (CMA 21) Capital Market Academy - Financial Executive Development Program (FINEX 23) The Thai Institute of Banking and Finance Association - Certified Financial Planner (CFP) Thai Financial Planners Association <u>In-House Training</u> <ul style="list-style-type: none"> - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Understanding Cryptocurrency, Blockchain, and Digital Asset and the opportunity in Thailand KQ Consulting Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited 	Common 8,800 (0.00) Preferred -	-	Apr2021-Present 2018-Mar2021 2018-Present 2013-2017 2009-2013 2018-Present	<u>TISCO Group</u> Executive Vice President Assistant Executive Vice President President Assistant Executive Vice President Managing Director <u>Others</u> Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) Association of Investment Management Companies

Name / Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
28. Mr. Kotee Sunthornpradit Head of Financial Control Acting head of Planning and Budgeting	44	Master of Management (Operation Research) Case Western Reserve University, USA Master of International Economics and Finance Bachelor of Economics Chulalongkorn University <i>In-House Training</i> - Corporate Sustainability Sustainable Business Development Institute	Common 13,200 (0.00) Preferred -	-	Jan2021-Present Jan2021-Present Feb2013-2020 Present Present Present	<i>TISCO Group</i> Head of Financial Control Acting head of Planning and Budgeting Head of Planning and Budgeting Director Director Director <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Insurance Solution Company Limited (Insurance) TISCO Tokyo Leasing Company Limited (Leasing) HTC Leasing Company Limited (Leasing)
29. Ms. Chutintorn Vigasi Head of Corporate Accounting	57	Master of Business Administration (Finance) Thammasat University Bachelor of Accountancy (Accounting) Chulalongkorn University	Common 16,356 (0.00) Preferred -	-	2009-Present	<i>TISCO Group</i> Head of Corporate Accounting <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
30. Mr. Nipon Wongchotiwat Head of Enterprise Risk & Credit Control Acting head of Enterprise Risk Management	43	Master of Science (Finance) Thammasat University Bachelor of Commerce (Finance & Economics) University of Wollongong, Australia <i>In-House Training</i> - Corporate Sustainability Sustainable Business Development Institute	Common - Preferred -	-	Jan2021-Present Jan2021-Present Feb2013-2020 Present	<i>TISCO Group</i> Head of Enterprise Risk & Credit Control Acting head of Enterprise Risk Management Head of Enterprise Risk Management Director <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) All-Ways Company Limited (E-marketplace Platform)
31. Ms. Surang Techarungnirun Head of Credit Control	46	Master of Science (Finance) Chulalongkorn University Bachelor of Business Administration (Finance) Thammasat University <i>In-House Training</i> - Corporate Sustainability Sustainable Business Development Institute	Common - Preferred -	-	Jan2019-Present Jul2013-Dec2018	<i>TISCO Group</i> Head of Credit Control Head of Office of the Credit Committee <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
32. Mr. Puvarin Kullaphatkanon Head of Risk & Business Analytics	40	Master of Arts in Economics New York University, USA Bachelor of Economics Chulalongkorn University Financial Risk Manager (FRM) Global Association of Risk Professionals, USA <i>In-House Training</i> - Corporate Sustainability Sustainable Business Development Institute	Common - Preferred -	-	May2014-Present	<i>TISCO Group</i> Head of Risk & Business Analytics <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
33. Mr. Pichit Treethephasumphan Head of Appraisal & Valuation	47	Master of Housing Development (Real Estate and Housing Development Program) Chulalongkorn University Graduate Diploma Program in Property Valuation Certificate in Real Estate Developer (Mini MRE@tbs) Thammasat University	Common - Preferred -	-	Jul2013-Present	<i>TISCO Group</i> Head of Appraisal & Valuation <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
34. Ms. Dulyarat Taveebhol Head of Corporate Compliance	63	Bachelor of Accountancy (Accounting) Thammasat University <i>Public Training</i> - Corporate Governance for Capital Market Intermediaries (CGI15/2016) Thai Institute of Directors	Common - Preferred -	-	Jul2013-Present 2009-Present 2009-Present 2019-2020	<i>TISCO Group</i> Head of Corporate Compliance Director and Member of the Audit Committee Director and Member of the Audit Committee Director	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) TISCO Securities Company Limited (Securities) TISCO Investment Advisory Securities Company Limited (Investment Advisory)



Name / Position / Date of first appointment/ Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
					Sep2013-2019	Director <i>Others</i> -	Deutsche TISCO Investment Advisory Company Limited (Investment Advisory)
35. Ms. Maneerat Wattanajak Head of Compliance - Banking Business	51	Master of Financial Accounting Chulalongkorn University Bachelor of Accountancy Thammasat University	Common - Preferred -	-	2017-Present 2010-2017	<i>TISCO Group</i> Head of Compliance - Banking Business Head of Compliance - Asset Management Business <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
36. Ms. Sakornrat Manuwong Head of Compliance - Securities Business	50	Bachelor of Accountancy (Accounting) Thammasat University Master Business Administration Thammasat University <i>Public Training</i> - Corporate Governance for Capital Market Intermediaries (CGI15/2016) Thai Institute of Directors	Common - Preferred -	-	2017-Present 2010-2016	<i>TISCO Group</i> Head of Compliance - Securities Business Head of Compliance - Banking Business <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
37. Mrs. Yaninee Papnum Head of Compliance - Asset Management Business	50	Bachelor of Accountancy (Second Class Honors) University of the Thai Chamber of Commerce	Common - Preferred -	-	Mar2017-Present 2014-Feb2017	<i>TISCO Group</i> Head of Compliance - Asset Management Business Senior Compliance Officer - Asset Management Business <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
38. Ms. Nudtinee Suwanpanitch Head of Legal Office	47	Master of Business Administration Ramkhamhaeng University Bachelor of Laws Thammasat University	Common - Preferred -	-	2010-Present	<i>TISCO Group</i> Head of Legal Office <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
39. Mr Prayuk Charoencharaskul Head of Operational Risk Management	41	Master of Business Administration University of North Carolina at Chapel Hill, USA Bachelor of Business Administration (Management) Chulalongkorn University	Common 400 (0.00) Preferred -	-	Jan2020-Present Aug2014-2018 Jan2019-2020	<i>TISCO Group</i> Head of Operational Risk Management Head of Productivity Assistant Business Services Delivery <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology)
40. Ms. Jiraporn Sawsukpaiboon Head of Credit Review	50	Master of Business Administration Thammasat University Bachelor of Science (Accounting) Kasetsart University - Certified Internal Auditor (CIA) The Institute of Internal Auditors (IIA), USA - Certified Information System Auditor (CISA) ISACA, USA	Common 16,544 (0.00) Preferred -	-	Jan2021-Present Feb2013-2020	<i>TISCO Group</i> Head of Credit Review Head of Internal Audit <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
41. Mr. Ekarat Pongkitivanitchkul Head of IT Risk Management	46	Master of Science Programme in Information Technology King Mongkut's University of Technology Thonburi	Common - Preferred -	-	Jul2018-Present Mar2017-Jul2018 Apr2015-Mar2017 Feb2013-Apr2015	<i>TISCO Group</i> Head of IT Risk Management Head of Data Governance Data Management Manager Assistant Head of Internal Audit Head of IT Audit <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)



Name / Position / Date of first appointment / Date of latest appointment	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
42. Ms. Aree Archamongkol Head of Corporate Services & Procurement	51	Master of Science, Management Information System, Chulalongkorn University Bachelor of Science, Mathematics (Second class honors) Prince of Songkla University - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited	Common 33,400 (0.00) Preferred -	-	Jan2021-Present Jun2018-2020 2014-2018	<i>TISCO Group</i> Head of Corporate Services & Procurement Head of Corporate Sourcing & Vendor Management Head of IT Sourcing & Vendor Management <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology)
43. Ms. Chuenchit Trakarnratti Head of Internal Audit	51	Master of Science (Computer Information System) Assumption University Bachelor of Accountancy Chulalongkorn University	Common - Preferred -	-	Jan2021-Present Aug2014-2020	<i>TISCO Group</i> Head of Internal Audit Head of Operational Risk Management <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
44. Mr. Komsorn Prakobphol Head of Economic Strategy Unit	41	Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Engineering Sirindhorn International Institute of Technology, Thammasat University	Common - Preferred -	-	2018-Present 2014-2017	<i>TISCO Group</i> Head of Economic Strategy Unit Head of Economic Strategy Unit <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
45. Ms. Kwannapa Ampornvisaroot Head of Treasury & Investment	51	Bachelor of Arts (Accounting) Bansomdejchaopraya Teachers' College	Common 1,650 (0.00) Preferred -	-	Mar2021-Present Jan2020-Feb2021 2015-2019	<i>TISCO Group</i> Head of Treasury & Investment Acting Head of Treasury & Investment Senior Treasury & Investment Officer <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Securities Company Limited (Securities)
46. Mr. Watsakorn Thepthim Head of Human Resources	47	Master of Information System University of Manchester, UK Master of Business Administration (Management) Bachelor of Business Administration (Finance) Assumption University - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited	Common - Preferred -	-	2012-Present 2011-Present 2011-Present	<i>TISCO Group</i> Head of Human Resources Director of Learning Center Director <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Learning Center Company Limited (Learning Center)
47. Mr. Kittipong Tiyaboonchai Head of Human Resources Management	48	Master of Information Systems University of Memphis, USA Master of Business Administration Bachelor of Business Administration (Banking & Finance) Chulalongkorn University	Common 8,823 (0.00) Preferred -	-	Oct2013-Present	<i>TISCO Group</i> Head of Human Resources Management <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)
48. Ms. Chutiporn Luangrungsawang Head of Human Resources Services	36	Master of Arts (Industrial and Organizational Psychology) Chulalongkorn University Bachelor of Arts Chulalongkorn University	Common - Preferred -	-	Feb2017-Present Mar2016-Jan2017 Mar2015-Feb2016 Aug2014-Mar2015	<i>TISCO Group</i> Head of Human Resources Services Head of Human Resources Operations Senior Human Resources Services Officer Human Resources Services Officer <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)

Remark: ¹ Including spouse and minor children

1.2 Corporate Secretary

The Corporate Secretary is responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders, meeting, maintaining directors and management's report on conflict of interest and performing other duties as required by the Capital Market Supervisory Board.



1.3 Changes in TISCO Shareholdings by Directors and Management (as of January 1, 2021)

No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2020	As of January 1, 2021	Increase (Decrease) During the Year	As of January 1, 2019	As of January 1, 2020	Increase (Decrease) During the Year	
1	Mr. Pliu Mangkornkanok	2,221,010	2,221,010	-	-	-	-	0.28
	Including spouse and minor children	-	-	-	-	-	-	-
2	Mr. Hon Kit Ching (Alexander H. Ching)	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
3	Mr. Suthas Ruangmanamongkol	3,700,000	4,100,000	400,000	-	-	-	0.51
	Including spouse and minor children	-	-	-	-	-	-	-
4	Assoc. Prof. Dr. Angkarat Priebjivat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
5	Prof. Dr. Pranee Tinakorn	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
6	Prof. Dr. Teerana Bhongmakapat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
7	Mr. Sathit Aungmanee	150,035	150,035	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
8	Dr. Charatpong Chotigavanich	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
9	Dr. Kulpatra Sirodom	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
10	Mr. Chi-Hao Sun (Mr. Howard Sun)	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
11	Mr. Satoshi Yoshitake	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
12	Mr. Sakchai Peechapat	66,177	66,177	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
13	Ms. Krisna Theravuthi	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
14	Mr. Metha Pingsuthiwong	195,800	195,800	-	-	-	-	0.02
	Including spouse and minor children	-	-	-	-	-	-	-
15	Mr. Pitada Vatcharasiritham	-	-	-	-	-	-	-
	Including spouse and minor children	80,000	80,000	-	-	-	-	0.01
16	Mr. Chalit Silpsrikul	-	-	-	-	-	-	-
	Including spouse and minor children	79	79	-	-	-	-	0.00



No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2020	As of January 1, 2021	Increase (Decrease) During the Year	As of January 1, 2019	As of January 1, 2020	Increase (Decrease) During the Year	
17	Mr. Chatri Chandrangam	30,000	30,000	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
18	Mr. Paiboon Nalinthrangkurn	286,000	286,000	-	-	-	-	0.04
	Including spouse and minor children	-	-	-	-	-	-	-
19	Mr. Yuttpong Sriwongjanya	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
20	Mr. Dejphinun Suthadsanasoung	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
21	Mr. Rungroj Jarasvijitkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
22	Mr. Picha Ratanatam	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
23	Ms. Pavinee Ongvasith	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
24	Mr. Pairat Srivilairit	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
25	Ms. Wanthana Chotchaisathit	23,161	23,161	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
26	Ms. Rachada Pruksanubal	79,000	79,000	-	-	-	-	0.01
	Including spouse and minor children	-	-	-	-	-	-	-
27	Mr. Theeranat Rujimethapas	8,800	8,800	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
28	Mr. Kontee Sunthornpradit	13,200	13,200	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
29	Ms. Chutintorn Vigasi	16,356	16,356	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
30	Mr. Nipon Wongchotiwat	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
31	Ms. Surang Techarungnirun	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
32	Mr. Puvarin Kullaphatkanon	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
33	Mr. Pichit Treethephasumphan	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-



No.	Name	Common Shares			Preferred Shares			Total Shareholding (Percentage)
		As of January 1, 2020	As of January 1, 2021	Increase (Decrease) During the Year	As of January 1, 2019	As of January 1, 2020	Increase (Decrease) During the Year	
34	Ms. Dulyarat Taveebhol	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
35	Ms. Maneerat Wattanajak	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
36	Ms. Sakornrat Manuwong	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
37	Mrs. Yaninee Papnum	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
38	Ms. Nudtinee Suwanpanitch	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
39	Mr. Prayuk Charoencharaskul	400	400	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
40	Ms. Jiraporn Sawsukpaiboon	16,544	16,544	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
41	Mr. Ekarat Pongkitivanitchkul	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
42	Ms. Aree Archamongkol	2,300	33,400	31,100	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
43	Ms. Chuenchit Trakarnratti	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
44	Mr. Komsorn Prakobphol	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
45	Ms. Kwannapa Ampornvisaroot	1,650	1,650	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
46	Mr. Watsakorn Thepthim	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-
47	Mr. Kittipong Tiyaboonchai	8,823	8,823	-	-	-	-	0.00
	Including spouse and minor children	-	-	-	-	-	-	-
48	Ms. Chutiporn Luangrungsawang	-	-	-	-	-	-	-
	Including spouse and minor children	-	-	-	-	-	-	-

Attachment 2 Details of Directors and Management in a Subsidiaries Company (as of April 1, 2021)

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ^{/1}
1. Mr. Pliu Mangkornkanok	ID, C	ID, C	-	-	-	-	-	-	-	-	-
2. Mr. Hon Kit Shing (Alexander H. Shing)	NED, VC, NCC	-	-	-	-	-	-	-	-	-	-
3. Mr. Suthas Ruangmanamongkol	ED, CEBD	ED, CEBD	-	-	-	-	-	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjriwat	ID, CAC	ID, CAC	-	-	-	-	-	-	-	-	-
5. Prof. Dr. Pranee Tinakorn	ID, CNCC, CGC	-	-	-	-	-	-	-	-	-	-
6. Prof. Dr. Teerana Bhongmakapat	NED, CROC, CCGC	NED, CROC	-	-	-	-	-	-	-	-	-
7. Mr. Sathit Aungmanee	ID, AC, NCC	ID, AC	-	-	-	-	-	-	-	-	-
8. Dr. Charatpong Chotigavanich	ID, ROC, CGC	ID, ROC	-	-	-	-	-	-	-	-	-
9. Dr. Kulpatra Sirodom	ID, AC, NCC	ID, AC	-	-	-	-	-	-	-	-	-
10. Mr. Chi-Hao Sun (Howard Sun)	ED, EBD	ED, EBD	-	-	-	-	-	-	-	-	-
11. Mr. Satoshi Yoshitake	ED, EBD	ED, EBD	-	-	-	-	-	-	-	D	D, MD
12. Mr. Sakchai Peechapat	ED, EBD, ROC, GCEO	ED, EBD, ROC	-	-	-	-	-	-	-	-	-
13. Ms. Krisna Theravuthi	A	-	-	-	-	-	-	-	-	-	-
14. Mr. Metha Pingsuthiwong ^{/2}	COO	PRES, ROC	C, AC	C, AC	-	-	-	-	-	-	-
15. Mr. Pitada Vatcharasiritham ^{/2}	SEVP	SEVP	D	-	-	-	-	-	-	-	-
16. Mr. Chalit Silpsrikul ^{/2}	SEVP	SEVP	-	-	-	-	-	-	-	C	-
17. Mr. Chatri Chandrangam	SEVP, ROC	-	D	D	D	D	-	D	-	-	-
18. Mr. Paiboon Nalinthrangkurn ^{/2}	SEVP	-	D, CEO	-	-	-	-	-	-	-	-
19. Mr. Yuttpong Sriwongjanya ^{/2}	FEVP	FEVP	-	-	D	-	-	-	D	-	-

¹ HTC Leasing Co., Ltd. is a subsidiary of TISCO Tokyo Leasing Co., Ltd.

² TISCO Financial Group's management seconded to manage subsidiary companies

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ¹
20. Mr. Dejphinun Suthadsanasoung ²	FEVP	FEVP	-	-	-	-	-	-	D	D	C
21. Mr. Rungroj Jarasvijitkul ²	FEVP	FEVP	-	-	-	-	-	-	D	-	-
22. Mr. Picha Ratanatam ²	FEVP	FEVP	-	D	-	-	-	-	-	-	-
23. Ms. Pavinee Ongvasith ²	FEVP	-	-	D, CEO	-	-	-	-	-	-	-
24. Mr. Pairat Srivilairit	CS, FEVP	CS	CS	CS	D	D	-	D	-	-	-
25. Ms. Wantha Chotchaisathit ²	EVP	-	-	-	-	D, MD	-	-	-	-	-
26. Ms. Rachada Pruksanubal ²	EVP	EVP	-	-	-	-	-	-	-	-	-
27. Mr. Theeranat Rujimethapass ²	EVP	-	-	D, PRES	-	-	-	-	-	-	-
28. Mr. Kontee Sunthornpradit	FH	-	-	-	-	-	D	-	-	D	D
29. Mr. Chutintorn Vigasi	FH	-	-	-	-	-	-	-	-	-	-
30. Ms. Nipon Wongchotiwat	FH	-	-	-	-	-	-	-	D	-	-
31. Mr. Surang Techarungnirun	FH	-	-	-	-	-	-	-	-	-	-
32. Ms. Puvarin Kullaphatkanon	FH	-	-	-	-	-	-	-	-	-	-
33. Mr. Pichit Treethephasumphan	FH	-	-	-	-	-	-	-	-	-	-
34. Ms. Dulyarat Taveebhol	DH	-	D, AC	D, AC	-	-	-	-	-	-	-
35. Ms. Maneerat Wattanajak	FH	-	-	-	-	-	-	-	-	-	-
36. Ms. Sakornrat Manuwong	FH	-	-	-	-	-	-	-	-	-	-
37. Ms. Yaninee Papnum	FH	-	-	-	-	-	-	-	-	-	-
38. Ms. Nudtinee Suwanpanitch	FH	-	-	-	-	-	-	-	-	-	-
39. Ms. Prayuk Charoencharaskul	FH	-	-	-	-	-	-	-	-	-	-
40. Ms. Jiraporn Sawsukpaiboon	FH	-	-	-	-	-	-	-	-	-	-
41. Ms. Ekarat Pongkitivanitchkul	FH	-	-	-	-	-	-	-	-	-	-
42. Mr. Chuenchit Trakarnratti	FH	-	-	-	-	-	-	-	-	-	-
43. Ms. Aree Archamongkol	FH	-	-	-	-	-	-	-	-	-	-
44. Mr. Komsorn Prakobphol	FH	-	-	-	-	-	-	-	-	-	-

¹ HTC Leasing Co., Ltd. is a subsidiary of TISCO Tokyo Leasing Co., Ltd.

² TISCO Financial Group's management seconded to manage subsidiary companies

Name	TISCO Financial Group Plc.	Subsidiary									
		TISCO Bank Plc.	TISCO Securities Co., Ltd.	TISCO Asset Management Co., Ltd.	HIWAY Co., Ltd.	TISCO Information Technology Co., Ltd.	TISCO Insurance Solution Co., Ltd.	TISCO Learning Center Co., Ltd.	All-Ways Co., Ltd.	TISCO Tokyo Leasing Co., Ltd.	HTC Leasing Co., Ltd. ^{/1}
45. Ms. Kwannapa Ampornvisaroot	FH	-	-	-	-	-	-	-	-	-	-
46. Mr. Watsakorn Thepthim	DH	-	-	-	-	-	-	D, H	-	-	-
47. Mr. Kittipong Tiyaboonchai	FH	-	-	-	-	-	-	-	-	-	-
48. Ms. Chutiporn Luangrungsawang	FH	-	-	-	-	-	-	-	-	-	-

Remark:

Type of Director

ID	=	Independent Director
NED	=	Non-executive Director
ED	=	Executive Director
D	=	Director

Director Position

C	=	Chairperson
VC	=	Vice Chairman
A	=	Advisor to TISCO's Board of Directors
CEBD	=	Chairperson of the Executive Board
EBD	=	Executive Board
CROC	=	Chairman of the Risk Oversight Committee
ROC	=	Risk Oversight Committee
CAC	=	Chairperson of the Audit Committee
AC	=	Audit Committee
CNCC	=	Chairperson of the Nomination and Compensation Committee
NCC	=	Nomination and Compensation Committee
CCGC	=	Chairperson of the Corporate Governance Committee
CGC	=	Corporate Governance Committee
CS	=	Corporate Secretary

Management Position

GCEO	=	Group Chief Executive
COO	=	Chief Operating Officer
SEVP	=	Senior Executive Vice President
FEVP	=	First Executive Vice President
EVP	=	Executive Vice President
CEO	=	Chief Executive Officer
PRES	=	President
MD	=	Managing Director
H	=	Head
DH	=	Division Head
FH	=	Function Head
-	=	None

Attachment 3 Details of Head of Internal Audit and Head of Compliance as of January 1, 2021

Name / Position	Age (years)	Education / Director's Training Course Program	Total Shareholding ¹ (shares/percentage)	Family Relationship with other Management	Work Experience within 5 years		
					Period	Position	Company / Organization (Type of Business)
1. Mr. Pairat Srivilairit Corporate Secretary First Executive Vice President Governance Office	55	Master of Business Administration Thammasat University Bachelor of Engineering Chulalongkorn University Certified Internal Auditor (CIA) Certificate in Control Self-Assessment (CCSA) Certified Financial Service Auditor (CFSA) The Institute of Internal Auditors (IIA), USA Certified Fraud Examiner (CFE) Association of Certified Fraud Examiners (ACFE), USA <u>Public Training</u> - Advances for Corporate Secretaries - Corporate Governance for Capital Market Intermediaries (CGI15/2016) - Company Secretary Program - Company Reporting Program - Board Reporting Program - Effective Minutes Taking - Audit Committee Program - Monitoring the Internal Audit Function - Monitoring Fraud Risk Management - Board of the Year, Board of the Future Thai Institute of Directors - GRI Certified Training on G4 reporting Guidelines Thaipat Institute - Anti-Corruption Strategic Management for Senior Executives Office of the National Anti-Corruption Commission - ASEAN Workshop on the Promotion of CSR in Social Welfare and Development, MSDHS - Role of commercial banks and civil society in anti-corruption Bank of Thailand and the Thai Bankers' Association <u>In-House Training</u> - Understanding Thailand Data Protection Law and its unintended consequence ACIS Professional Center Company Limited - Cybersecurity Threatscape and You TISCO Financial Group Public Company Limited - Role of the Boardroom: Transforming Corporate Compliance into Corrupt-less Society Thailand's Private Sector Collective Action Coalition Against Corruption: CAC - Corporate Sustainability Sustainable Business Development Institute - IT Security Awareness for Top Management ACIS Professional Center Company Limited - Chairman/Board perspectives on Corporate Strategy, beyond the crisis Bain & Company, Inc.	Common - Preferred -	-	Apr2021-Present Feb2017-Mar2021 Sep2013-Present 2013-2016 Sep2013-Present Sep2013-Present Sep2013-2018 2019-Present 2019-Present 2011-Present 2010-Present 2010-Present	<i>TISCO Group</i> First Executive Vice President - Governance Office Executive Vice President - Governance Office Corporate Secretary Head of Governance Office Director Director Director Member of the Audit Committee Director Member of Internal Audit Quality Assurance Committee Member of Internal Audit Development Committee Member of Risk Management Committee <i>Others</i> Member of the Audit Committee Director Member of Internal Audit Quality Assurance Committee Member of Internal Audit Development Committee Member of Risk Management Committee	TISCO Financial Group Public Company Limited (Holding Company) TISCO Information Technology Company Limited (Information Technology) Hi-Way Company Limited (Hire Purchase) TISCO Insurance Solution Company Limited (Insurance) Srinakharinwirot University The Institute of Internal Auditors of Thailand The Comptroller General's Department Bangkok Metropolitan Administration
2. Ms. Dulyarat Taveebhol Head of Corporate Compliance	63	Bachelor of Accountancy (Accounting) Thammasat University <u>Public Training</u> - Corporate Governance for Capital Market Intermediaries (CGI15/2016) Thai Institute of Directors	Common - Preferred -	-	Jul2013-Present 2009-Present 2009-Present 2019-2020 Sep2013-2019	<i>TISCO Group</i> Head of Corporate Compliance Director and Member of the Audit Committee Director and Member of the Audit Committee Director Director <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company) TISCO Asset Management Company Limited (Asset Management) TISCO Securities Company Limited (Securities) TISCO Investment Advisory Securities Company Limited (Investment Advisory) Deutsche TISCO Investment Advisory Company Limited (Investment Advisory)
3. Ms. Chuenchit Trakarnratti Head of Internal Audit	51	Master of Science (Computer Information System) Assumption University Bachelor of Accountancy Chulalongkorn University	Common - Preferred -	-	Jan2021-Present Aug2014-2020	<i>TISCO Group</i> Head of Internal Audit Head of Operational Risk Management <i>Others</i> -	TISCO Financial Group Public Company Limited (Holding Company)

Remark: /1 Including spouse and minor children

Attachment 4 Details of Asset Appraisal

- Not Available -

Attachment 5

Report of the Executive Board

Appointed by the Board of Directors on June 29, 2020, the Executive Board of TISCO Financial Group Public Company Limited comprised four executive directors:

- | | | |
|----|------------------------------|----------|
| 1. | Mr. Suthas Ruangmanamongkol | Chairman |
| 2. | Mr. Chi-Hao Sun (Howard Sun) | Member |
| 3. | Mr. Satoshi Yoshitake | Member |
| 4. | Mr. Sakchai Peechapat | Member |

All above directors are members of the Executive Board Committee throughout the Year 2020

The Executive Board convened twelve meetings throughout the Year 2020 on various matters in accordance with the duties and responsibilities mandated by the Charter of the Executive Board. All meeting results were reported to the Board of Directors, which in summary include:

1. Determined and proposed TISCO Group business strategy to the Board of Directors for approval,
2. Reviewed and proposed TISCO Group business plan and budget to the Board of Directors for approval,
3. Monitored Group business performance including key performance indicators and financial budgets,
4. Instituted, reviewed, and approved TISCO Group's policies on important operational and control areas, and proposed for the Board of Directors' ratification where applicable,
5. Acknowledged TISCO Group's risk profiles and the activities of the Risk Management Committee including the operational risk, IT risk and Compliance,
6. Reviewed and ratified the activities of the Credit Committee and the Problem Loan Committee,
7. Approved major credit decisions and revision of credit policies and guidelines,
8. Conducted the assessment of the adequacy of the internal control system and proposed for the Audit Committee's review and to the Board of Directors for approval,
9. Reviewed and approved major business decisions involving high risk,
10. Acknowledged the COVID-19 situation and impact including new rules and/or measures from the Bank of Thailand,
11. Reported to the Board of Directors an annual assessment of the Executive Board performance,
12. Reviewed the Executive Board Charter and proposed to the Board of Directors for approval,
13. Reported the activities of the Executive Board to the Board of Directors for ratification,

The Executive Board performed self-assessment by comparing the Executive Board's activities to the Charter of the Executive Board and leading practices, and opined that the Executive Board has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Suthas Ruangmanamongkol -
(Mr. Suthas Ruangmanamongkol)
Chairman of the Executive Board
January 28, 2021

Attachment 7

Report of the Risk Oversight Committee

During the Year 2020, the Risk Oversight Committee of TISCO Financial Group Public Company Limited was appointed by Board of Directors on April 23, 2019 comprising of four members as follows;

- | | |
|-----------------------------------|-------------|
| 1. Prof. Dr. Teerana Bhongmakapat | Chairperson |
| 2. Dr. Charatpong Chotigavanich | Member |
| 3. Mr. Sakchai Peechapat | Member |
| 4. Mr. Chatri Chandrangam | Member |

All above directors are members of the Risk Oversight Committee throughout the Year 2020.

In 2020, the Risk Oversight Committee convened six meetings on various matters in accordance with the duties and responsibilities mandated by the Charter of the Risk Oversight Committee. There was the agenda of the Joint Meeting of Risk Oversight Committee and Audit Committee on the fifth meeting. All meeting results were reported to the Board of Directors, in which the activities in each meeting are summarized as follows;

1. The Committee reviewed the policies for risk management as sufficient to be recommended for the Board's adoption, subject to the Executive Board's approval and also reviewed TISCO risk exposures, KRI monitoring and key activities by risk types. The Committee reviewed and concurred the Risk Self-Assessment for year 2019, the Self-Assessment of TISCO Bank internal control system, the Performance Self-Assessment of the ROC for year 2019, the Report of the ROC to be disclosed in the Form 56-1 and annual report for year 2019, and the Charter of the ROC. In addition, the Committee considered and approved Annual Plan of the ROC for year 2020. The Committee considered and acknowledged The Bank of Thailand's audit report and examination results for year 2019 and the AMLO audit report of TISCO Bank for year 2019. The Committee considered and concurred Annual Compliance Report for year 2019, and Compliance Plan for year 2020.
2. The Committee considered and acknowledged the COVID-19 risk assessment and its impact as well as TISCO preventive measures. The Committee reviewed the TISCO Bank ICAAP report and supervisory stress testing, the TISCO Group recovery plan. The Committee also reviewed and concurred the revised TISCO Group Compliance Policy, Compliance Charter and TISCO Group AML/CFT/WMD Policy. In addition, the Committee reviewed TISCO risk exposures, KRI monitoring and key activities by risk types, for the period of January to February 2020.
3. The Committee considered and acknowledged the COVID-19 risk assessment, financial projections and impact on balance sheet and capital adequacy, as well as TISCO BCP, TISCO strategic risk on demographic change and digital banking strategy. The Committee reviewed TISCO risk exposures, KRI monitoring and key activities by risk types, for the period of March to April 2020. In addition, The Committee considered the transaction of THAI debenture as reasonable in preventing the potential mutual fund run and protecting TISCO image.
4. The Committee reviewed the assumptions and results of COVID-19 Impact Self-Assessment Report as appropriate with sufficient capital level for year-end 2020. The Committee acknowledged the implementation of BCP COVID-19, the Mutual Funds Management Oversight Guideline, and the SET Assessment Report of TISCO Securities on Self-Regulatory Project for the year 2019. Moreover, the Committee reviewed TISCO risk exposures, KRI monitoring and key activities by risk types, for the period of May to June 2020.
5. The Committee acknowledged the SEC Examination report of TISCO Asset Management and suggested that the relevant management should actively coordinate with regulator, and focus on developing preventive actions, prioritizing on reputation risk, and impact to customers. The Committee reviewed TISCO risk exposures, KRI monitoring and key activities by risk types, for the period of July to August 2020. For the joint meeting of Risk Oversight Committee and Audit Committee, the Committees exchanged views of sufficiency and effectiveness of TISCO risk management for year 2020 whereby the ROC will incorporate the view from the AC for review of risk management practice in terms of sufficiency and effectiveness. The Committees acknowledged key audit issues by the BOT and Internal Audit, whereby key issues raised by AC relating to operational risk and IT risk, which will be further reviewed in the ROC meeting.
6. The Committee reviewed the sufficiency and effectiveness of TISCO risk management for the year 2020, the methodologies and results of Supervisory stress testing as appropriate with sufficient capital level in all stress scenarios. The Committee acknowledged the SEC follow-up report of TISCO Asset Management Co., Ltd. The Committee reviewed TISCO risk exposures, KRI monitoring and key activities by risk types, for the period of September to October 2020. The Committee also acknowledged the risk classification for debt relief clients according to the BOT classification criteria, and emphasized that TISCO should be cautious on risk assessment with close monitoring and follow-up of accounts under debt relief programs.



The Risk Oversight Committee performed self-assessment by comparing the Risk Oversight Committee's activities to the Charter of the Risk Oversight Committee and leading practices, and viewed that the Risk Oversight Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Teerana Bhongmakapat -

(Prof. Dr. Teerana Bhongmakapat)

Chairperson of the Risk Oversight Committee

January 20, 2021

Attachment 7

Report of the Audit Committee

Appointed by the Board of Directors, the Audit Committee of TISCO Financial Group Public Company Limited (TISCO) comprises the following independent directors:

- | | |
|--|-------------|
| 1. Assoc. Prof. Dr. Angkarat Priebjrivat | Chairperson |
| 2. Mr. Sathit Aungmanee | Member |
| 3. Dr. Kulpatra Sirodom | Member |

The Audit Committee has performed duties and responsibilities according to the Charter of Audit Committee and as delegated by the Board of Directors. The Audit Committee has carried out duties independently and without restrictions as to access to information. The Audit Committee supports the Company's good corporate governance in accountability, transparency, fairness, integrity, auditability and check & balance, which will serve the best interests of not only shareholders but also employees and other stakeholders.

The Audit Committee convened 14 meetings in Year 2020 with full attendance. Major activities performed during the year were as follows:

- **Financial Statements:** Reviewed quarterly and annual financial statements on the appropriateness of the Company's accounting policies used in the preparation of the financial statements and the completeness of information disclosure before the dissemination. The Audit Committee agreed with the external auditor that the Company's financial statements and the disclosure of relevant information were adequate and fairly presented in accordance with generally accepted accounting principles.
- **Internal Control, Internal Audit, and Credit Review:** Reviewed and assessed internal control system and internal audit works and considered all issues raised by the external auditor, Internal Audit, and Credit Review, Assessed the independence of Internal Audit department and approved annual audit plan, strategy, key performance indicators, the Charter of Internal Audit, as well as, Credit Review plan. The Audit Committee opined that the Company's internal control system and internal audit function were adequate and effective.
- **Regulatory Compliance:** Reviewed annual compliance plan and reports, the Company's compliance activities and status of legal cases and litigations. Acknowledged the results of external examinations by the Bank of Thailand and those of other regulators governing TISCO group, and assessed the Company's corrective actions. The Audit Committee opined that the Company properly followed all necessary rules and regulations as imposed by regulatory authorities, and stringently took corrective actions as recommended by the regulators.
- **External Auditor:** Reviewed and assessed the independence of the external auditor as well as the overall scope and the focus of the quarter and annual audit. Selected and nominated the external auditor to the Board of Directors for further recommendation to the shareholders for approval. Considering the independence, professional proficiency in finance and banking industry, performance, and appropriateness of the audit fee, the Audit Committee proposed the appointment of Ms. Somjai Khunapasut of EY Office Limited as the Auditor of the Company and its subsidiaries for the Year 2020.
- **Transactions with Related Parties and Conflicts of Interests:** Reviewed and assessed related party transactions or transactions that may lead to conflicts of interests and the pricing policy for the transactions to ensure conformity with laws and regulations, including Joint Statement Policy which mutually released by the Bank of Thailand and the Securities and Exchange Commission on the business governance of the financial group that involves in fund management business. The Audit Committee agreed with the external auditor, Internal Audit, and Compliance that the transactions were either conducted in a normal course of business operation or justified for the best interests of the Company. In addition, related disclosures were in compliance with the corporate governance and related party transaction policy.
- **Risk Management:** Acknowledged the management's presentation on the effectiveness of risk management system, capital adequacy, IT risk management and operational risk management. Acknowledged reports on material IT or operational loss events and assessed the causes of such events and the appropriateness of pre-emptive measures to prevent future recurrences. Furthermore, the Audit Committee had a joint meeting with the Risk Oversight Committee to acknowledge and exchange views on the framework for the assessment on sufficiency and effectiveness of TISCO risk management.



- **Audit Committee Self-Assessment:** Performed self-assessment by comparing the Audit Committee's activities to the Charter of Audit Committee, relevant laws and regulations, and leading practices. The results revealed that the Audit Committee have carried out duties and responsibilities adequately and effectively according to the Charter of Audit Committee, relevant laws and regulations, and as delegated by the Board of Directors.

- Angkarat Priebjrivat -

(Assoc. Prof. Dr. Angkarat Priebjrivat)

Chairperson of the Audit Committee

January 22, 2021

Attachment 8

Report of the Nomination and Compensation Committee

Appointed by the Board of Directors on June 29, 2020, the Nomination and Compensation Committee of TISCO Financial Group Public Company Limited comprises four independent and non-executive directors and is chaired by an independent director as follows.

1. Prof. Dr. Pranee Tinakorn	Chairperson and Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Member and Non-Executive Director
3. Mr. Sathit Aungmanee	Member and Independent Director
4. Dr. Kulpatra Sirodom	Member and Independent Director

The Nomination and Compensation Committee is charged with the responsibility of formulating the compensation policy, selecting and nominating candidates for directorship from various sources, such as from proposal by the Company's shareholders, the director pools maintained by the Thai Institute of Directors Association (IOD) or other recruitment processes deemed appropriate by the Committee by taking into account the Board Skill Matrix which illustrates qualifications and diversified traits in terms of knowledge, competence, experience, and education. The Committee also nominates members of committees with functions, responsibilities and authorities directly given by the Board of Directors, Advisor(s) and Top Management in TISCO and its subsidiary companies and proposing them to the Board of Directors or the Shareholders Meeting for approval in order to preserve an effective and efficient board and management structure and to enhance the good corporate governance of TISCO Group.

The Nomination and Compensation Committee has performed their duties as delegated by the Board of Directors which is consistent with the responsibilities in the Charter. In 2020, the Committee convened five meetings, all of which were reported and ratified by the Board of Directors, were as follows: Reviewing the Guidelines for Board Composition and Selection Criteria for TISCO Group and recommending to the Board of Directors for approval,

1. Reviewing the Guidelines for Board Composition, Nomination and Selection Criteria for TISCO Group to be suit with the situation and recommending to the Board of Directors for approval;
2. Reviewing the Board Skill Matrix and the profiles of the candidates for director position;
3. Recommending number of directors and nominating qualified candidates for director position of TISCO and TISCO Bank for the Board of Directors to recommend to the Annual General Meeting of Shareholders for approval;
4. Reviewing the Remuneration Policy for Directors and Management and recommending to the Board of Directors for approval;
5. Reviewing the directors' remuneration and ensuring the directors' remuneration to be commensurate with their responsibilities and performance and benchmarking with the industry, and recommending to the Board of Directors to further recommend to the Annual General Meeting of Shareholders for approval;
6. Recommending the appointment of Chairman and Vice Chairman of the Board of Directors and other committees namely Executive Board, Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee including Advisor to the Board of Directors;
7. Adopting the Board Performance Self-Assessment Guidelines and Questionnaires for the year 2020 which provided the board an opportunity to reflect on how well the board fulfilled its responsibilities and to identify opportunities for continuous improvement that will increase the board's overall performance and enhance the board's relationship with management;
8. Acknowledging and proposing the results of the Board Performance and Independence of Director Assessments to the Board of Directors for ratification and recommending improvements to be implemented to enhance board performance;
9. Considering the employment term, compensation and the contract of the Group Chief Executive, including considering and agreeing with the Business KPI of TISCO Group proposed by Management to be applied for the Group Chief Executive's performance assessment, and recommending to the Board of Directors for endorsement;
10. Evaluating and proposing the results of the Group Chief Executive's performance to the Board of Directors for approval;
11. Considering the director succession plan to be in accordance with the Bank of Thailand's regulation on Corporate Governance of Financial Institutions;

12. Reviewing the Charter and the Annual Plan of the Committee and recommending to the Board of Directors for approval;
13. Acknowledging the professional development program for Directors and Management;
14. Considering the appointment of new directors for replacement of TISCO Financial Group and/or TISCO Bank, and recommending to the Board of Directors to further recommend to the Annual General Meeting of Shareholders for approval;
15. Approving the promotion of senior management level of TISCO, and reporting to the Board of Directors for acknowledgement;
16. Approving the incentive pay, bonus appropriation for management and staff for the year 2020, and reporting to the Board of Directors for acknowledgement;
17. Acknowledging the activities report of Human Resources Committee including succession plan for senior management.

The Nomination and Compensation Committee performed self-assessment by comparing the Committee's activities to the Charter of the Nomination and Compensation Committee, relevant laws and leading practices, and opined that the Committee has carried out duties and responsibilities with full effort, carefulness, transparency and independence according to the good corporate governance, as well as conform to the Charter and as delegated by the Board of Directors.

- Pranee Tinakorn -

(Prof. Dr. Pranee Tinakorn)
Chairperson of the Nomination and Compensation Committee
February 23, 2021

Attachment 9

Report of the Corporate Governance Committee

Appointed by the Board of Directors on June 29, 2020, the Corporate Governance Committee of TISCO Financial Group Public Company Limited comprises independent and non-executive directors as follows.

- | | |
|---------------------------------------|-------------------------------------|
| 1. Professor Dr. Teerana Bhongmakapat | Chairman and Non-Executive Director |
| 2. Professor Dr. Pranee Tinakorn | Member and Independent Director |
| 3. Dr. Charatpong Chotigavanich | Member and Independent Director |

The Committee is charged with the responsibility of setting and reviewing policies and guidelines of corporate governance and sustainable development, oversee the practice of the Board, Board Committees, and the Management in compliance with the Corporate Governance Principles and Policies, Code of Conduct, and related laws and regulations, maintain checks and balances between the Board and the Management, protect shareholders' rights and ensure equitable treatment being provided, and develop corporate governance system for the benefits of shareholders and other stakeholders.

In 2020, the Committee has duly performed the duties set forth in the Corporate Governance Committee Charter and executed the tasks mandated by the Board of Directors. The Committee convened a total of two meetings with full attendance, as the following summary:

1. Considered the Charters of the Board Committees regarding Compliance roles and responsibilities,
2. Considered the results and recommendations on corporate governance and sustainable development assessments of TISCO by the Thai Institute of Directors Association, the Thai Investors Association, and the Stock Exchange of Thailand, and recommended enhancement to the Board,
3. Acknowledged the result of satisfaction survey on holding the Annual General Meeting of Shareholders for the year 2020,
4. Reviewed and acknowledged the result of material sustainability topics survey mattered to TISCO Group and stakeholders,
5. Acknowledged the content structure of Sustainability Report prepared in alignment with the reporting principle and standard of disclosures under Global Reporting Initiative Standard,
6. Reviewed and acknowledged the implementation progress of Corporate Governance and Sustainable Development including the environmental and social risk assessment,
7. Considered and acknowledged the progress of the Thai Banker's Association on Sustainable Banking and Responsible Lending,
8. Acknowledged the Three-year sustainable development Roadmap which respond to UN Sustainability Development Goals and align with TISCO corporate goals, objectives and business directions,
9. Acknowledged the revision of supplier code of conduct guidelines created for the purpose of promoting the sustainable processes and activities to suppliers of TISCO.
10. Supported the knowledge and the realization of the importance on being the sustainable organization by provided the training session on Corporate Sustainability Development to the Board, Managements and employee,
11. Acknowledged the update of Form 56-1 One Report announced by the SEC to be used in the fiscal year 2021,
12. Reviewed the Committee's Charter and annual plan in accordance with laws, regulation and best practices

The Corporate Governance Committee performed self-assessment by comparing the Committee's activities to its Charter, and leading practices, and opined that the Committee has carried out duties and responsibilities adequately and effectively according to the Charter and as delegated by the Board of Directors.

- Teerana Bhongmakapat -

(Professor Dr. Teerana Bhongmakapat)
Chairman of the Corporate Governance Committee
February 18, 2021

Attachment 10

Internal Control System Assessment Questionnaire

TISCO Financial Group Public Company Limited

February 24, 2021

**This questionnaire was completed by the TISCO Financial Group Plc.'s Board of Directors.
It reflects the Board's opinion on the adequacy of the TISCO Financial Group Plc.'s internal control system.**

Background and Objectives

Proper Internal Control system is vital to listed companies as it shall prevent, manage and mitigate risk and loss that could impact the companies and their stakeholders. Therefore, Board of Directors is accountable to oversee that the company have implemented proper internal control system that is sufficient to govern and direct the company to achieve its missions and goals while complying with laws and regulations. Besides, the internal control system should also prevent the company from fraud and physical damage and ensure correct accounting and financial reporting.

The Securities Exchange Commission (SEC), coordinated with the Price Waterhouse Cooper (Thailand), had developed this Internal Control Assessment Questionnaire as a tool for listed companies for their self-assessment.

The questionnaire adopted the internal control concept of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) which was revised on May 2013 and was adjusted to be applicable to Thai listed company. The questionnaire is constructed in 5 key areas including Control Environment, Risk Assessment, Control Activities, Information & Communication, and Monitoring Activities.

Use of Questionnaire

The companies should apply this questionnaire as guidance for internal control assessment at least annually and may reassess in case of unexpected event which may impact its operations significantly. The assessment should be reviewed by the Audit Committee and the Board in order to lead to discussion about proper improvement of internal control system.

The assessment should be based on execution of the control. If the assessment reflects insufficient control in some areas, the company should provide with rationale and improvement method.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical value.

Question	Yes	No
1.1 Board of Directors and senior management articulate and demonstrate the importance of integrity and ethical values across the organization. The various forms and mechanisms may include:		
1.1.1 Day-to-day actions and decision making at all levels of the organization that are consistent with the expected standards of conduct.	/	
1.1.2 Interactions with suppliers, customers, and other external parties.	/	
1.2 Practice of integrity and ethics is in place which may include:		
1.2.1 Appropriate code of conduct for all employees	/	
1.2.2 Prohibition of conflict of interest and corruption	/	
1.2.3 Penalty when employee action deviates from the standard code of conduct	/	
1.2.4 Communicate the standard code of conducts and penalty when its violated to all level of employees and external parties for adherence.	/	
1.3 A process of ongoing and separate evaluation of Code of Conduct is in place including;		
1.3.1 Ongoing and separated evaluation by Internal Audit Unit or Compliance Unit	/	
1.3.2 Employees self-evaluation	/	
1.3.3 Separate evaluation by independent and external experts	/	
1.4 Deviations of the expected standard code of conduct are identified and remedied in a timely and consistent manner.		
1.4.1 Having a process to investigate deviations of the expected standard code of conduct.	/	
1.4.2 Having a process to penalize and conduct an appropriate action taken in timely basis.	/	
1.4.3 The corrective action should be taken in consistent and timely basis.	/	

2. The Board of Directors is independent from the management and is accountable for an oversight of the development and performance of internal control.

Question	Yes	No
2.1 The board of directors demonstrate independence from management by their roles and responsibilities. The board must therefore retain objectivity in relation to management.	/	
2.2 The board of directors oversee the business objectives to ensure that they are clearly defined and measurable to be a guidance for management and other employees.	/	
2.3 The board of directors oversee the clear line of roles and responsibilities of the board committees and senior management and compliance with law and regulations. This includes the roles and responsibilities of audit committee, external auditors, internal auditors and the person with responsibility for financial reporting.	/	
2.4 The director is competent and has expertise in business or ability to request for the experts when needed.	/	
2.5 The board of directors consists of sufficient number of independent directors who are knowledgeable and independent.	/	
2.6 The board of directors oversee the development and execution of internal control system including control environment, risk assessment, control activities, information and communication, and monitoring activities.	/	

3. With the board oversight, Management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

Question	Yes	No
3.1 Management establish organization structure which support the organization’s goal, which taking into account business, regulation, and effective internal control system e.g. Segregation of duties, the direct reporting line of internal audit to the Audit Committee, clear reporting line etc.	/	
3.2 Senior management define reporting line which considered appropriate accountabilities, responsibilities and communication channel.	/	
3.3 Clear and appropriate authority delegation of authority among the board of directors, senior management, management and staff is in place.	/	

4. The organization demonstrates a commitment to attract, develop, and retain competent individuals.

Question	Yes	No
4.1 Policies and practice to attract, develop, and retain competent individuals is in place and is reviewed regularly.	/	
4.2 The organization has processes of performance evaluation, incentive, reward and penalty. The processes are communicated to all level of management and employees.	/	
4.3 The organization has a procedure to handle insufficiency of competent staff properly.	/	
4.4 The organization has a human resource management process of recruiting, development, mentoring, coaching, retaining for all level of management and employees.	/	
4.5 The organization has the appropriate succession plan.	/	

5. The organization assigns roles and responsibility of internal control in the pursuit of objectives.

Question	Yes	No
5.1 The board of directors and management establish the mechanisms to communicate and enforce accountability for performance of internal control responsibilities across organization and implement corrective action as necessary.	/	
5.2 The board of directors and management establish proper performance evaluation, incentives, and rewarding system taking into account code of conduct, short-term and long-term business objectives.	/	
5.3 The board of directors and management align incentives and rewards with the fulfillment of internal control responsibilities in the achievement of objectives.	/	
5.4 The board of directors and management evaluate and adjust pressures associated with the achievement of objectives as they assign responsibilities.	/	

Risk Assessment

6. Organization specifies objectives with sufficient clarify to enable the identification and assessment of risks relating to objectives.

Question	Yes	No
6.1 The organization complies with the Generally Accepted Accounting Principles (GAAP) that are appropriate for its business and ensures the existence, completeness, rights and obligation, and valuation.	/	
6.2 The organization defines financial materiality by assessing factors such as stakeholders, transaction size, and business trends.	/	
6.3 The organization’s financial statements reflect actual operational activities.	/	
6.4 The board of directors or the Risk Management Committee approves and communicates risk management policies to management and employees as part of the organization culture.	/	

7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as basis for determining how the risks should be managed.

Question	Yes	No
7.1 The organization identifies comprehensive risk that may affect the operational activities at corporate level, entity level, unit level, and functional level.	/	
7.2 The organization assess comprehensive risk that may result from internal and external factors, including strategic risk, operational risk, reporting risk, compliance risk, and IT risk.	/	
7.3 Management of all level participates in risk management.	/	
7.4 The organization prioritize risk through frequency and impact assessment.	/	
7.5 The organization has measures and plans to manage risk through risk acceptance, risk reduction, risk avoidance, or risk sharing.	/	

8. The organization considers the potential for fraud in assessment risks to the achievement of objectives.

Question	Yes	No
8.1 The organization assess fraud risk resulting from falsify reporting, financial loss, corruption, management override of internal controls, misrepresentation of material reports, or embezzlement.	/	
8.2 The organization reviews its performance measurements through achievement likelihood assessment and reviews incentive program to ensures that it does not encourage misconduct such as unrealistic target to encourage misrepresentation.	/	
8.3 Audit Committee reviews and inquires management regarding fraud likelihood and fraud preventive and corrective measures.	/	
8.4 The organization communicates to its employees to ensure that they understand and comply with policies and guidelines.	/	

9. The organization identifies and assesses changes that could significantly impact the system of internal control.

Question	Yes	No
9.1 The organization assess external changes that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	/	
9.2 The organization assess changes in business operation that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	/	
9.3 The organization assess changes in organization leaders that may affect its operation, internal control, and financial reporting; and defines sufficient measures to respond to those changes.	/	

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Question	Yes	No
10.1 The organization's control measures are appropriate with its organization specific risks such as environmental, operational complexity, functional, operational boundary, and other specifics.	/	
10.2 The organization has written internal control measures that appropriately covers its activities such as policies and procedures relating to the financial transactions, procurement process and other administrations which includes roles and responsibilities, and clearly indicate level of authority to prevent fraud such as the determination of authority level of the management in each level, capital expenditures approval process, procurement and vendor selection process, transactional recording, approval process, requisition and disbursement process etc. by arranging the processes for the following cases		
10.2.1 Collect and regularly update information on major shareholders, Directors, Management,	/	

Question	Yes	No
and their related parties to assist in monitoring and reviewing related party transactions or conflict of interest transactions.		
10.2.2 In case the organization approves or enters into long-term contract with related party, the organization monitors to ensure compliance throughout the contract duration.	/	
10.3 Control activities include a range and variety of controls and may include a balance of approaches to mitigate risk, considering both manual and automated controls, and preventive and detective controls.	/	
10.4 Management considers control activities at various levels in the entity.	/	
10.5 The organization segregates the following duties: (1) approval (2) data entry (3) custodial	/	

11. The organization selects and develops general control activities over technology to support the achievement of objectives.

Question	Yes	No
11.1 The organization should determines the dependency and linkage between business processes and technology general controls.	/	
11.2 The organization should have a proper control on IT infrastructure.	/	
11.3 The organization should have a proper IT security system.	/	
11.4 The organization should have a proper control on acquisition, development and maintenance of IT system.	/	

12. The organization deploys control activities through policies that establish what is expected and in procedure that put policies into action.

Question	Yes	No
12.1 The organization has a policy that prevents major shareholders, directors, management from trading based on inside information by using approval process guided by regulators.	/	
12.2 The organization has a policy indicated that transaction approval process has to be executed by an independent without conflict of interest.	/	
12.3 The organization has a policy indicated that transaction approval processes are based on arm's length principle.	/	
12.4 The organization has a process to monitor performance and provide directions to its subsidiaries.	/	
12.5 The organization defines roles and responsibilities for its management and employees to carry out policies and processes.	/	
12.6 The policies and processes are implemented within the proper time frame by the competent personnel including the comprehensiveness of the incident management process	/	
12.7 The organization reviews the appropriateness of its policies and processes regularly.	/	

Information & Communication

13. The organization obtains or generates and users relevant, quality information to support the functioning of other components of internal control.

Question	Yes	No
13.1 A process is in place to identify quality and relevance internal and external information required to achieve the objectives.	/	

Question	Yes	No
13.2 Information usage costs and benefits are considered. The consideration should include quantity and correctness of information.	/	
13.3 The board of directors has material information sufficiently to make decision. The information may include detail of the agenda, reason, impact to the organization and optional solution.	/	
13.4 The organization has processes to schedule the board meeting and provide necessary and sufficient supporting information before a specific time as the requirement by laws or regulation.	/	
13.5 The organization should document sufficient information in the board of directors' minutes of meeting to ensure appropriateness of directors duties, for examples, memo probing the question to management, comments and reason of disagreement	/	
13.6 The organization has proper		
13.6.1 Document retention process to ensure completeness and filing of all important document.	/	
13.6.2 Control deficiencies and corrective action report from both external and internal auditors.	/	

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of other components internal control.

Question	Yes	No
14.1 The organization effectively communicates relevant and timely information regarding internal control and provides appropriate communications channels.	/	
14.2 The organization reports material information to the board of directors consistently. Otherwise, the board of directors is enabled to access necessary information regards of their duties or reviews transaction i.e. the directors allows to request information from assigned a contact person, external auditors, internal auditors and they can request for the board meeting and other meeting between directors and senior managements.	/	
14.3 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from internal parties.	/	

15. The organization communicates with external parties regarding matters affecting the functioning of other components of internal control.

Question	Yes	No
15.1 The organization effectively communicates relevant and timely information regarding internal control to external parties and provides appropriate communications channels i.e. investor relation and customer complain hotline.	/	
15.2 The organization provides separate communication channels, such as whistle-blower hotlines, are in place and serve as fail-safe mechanisms to enable anonymous or confidential communication from external parties.	/	

Monitoring Activities

16. The organization selects, develops, and performs ongoing and/ or separate evaluations to ascertain whether the components of internal control are present and functioning.

Question	Yes	No
16.1 The organization develop the code of ethics and establish conflict of interests ongoing evaluation process i.e. employees perform self-evaluation and report to their supervisor and the internal auditors performs auditing and report to audit committee.	/	
16.2 Has internal evaluation this may perform by employees' self-evaluation or using internal audit to conduct separate evaluation.	/	

Question	Yes	No
16.3 Management varies frequency of evaluation depending on changing condition.	/	
16.4 Evaluators who perform ongoing and separate evaluations have sufficient knowledge to understand what is being evaluated.	/	
16.5 Internal audit department has direct reporting line to audit committee.	/	
16.6 The organization supports the internal audit activities to comply with International Standards for the Professional Practice of Internal Auditing, IIA.	/	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Question	Yes	No
17.1 The organization evaluates and communicates material internal control deficiencies in a timely manner to those parties responsible for taking corrective action	/	
17.2 The organization develop policies for reporting the control deficiency including:		
17.2.1 Management report the facts and circumstances of significant fraudulent act, illegal acts and the other circumstance that impact over reputation and financial reporting to Board of Directors in a timely basis.	/	
17.2.2 Report significant control deficiency and propose its corrective action to the board of directors/ audit committee.	/	
17.2.3 Report status of remediation plan or corrective action to board of directors/ audit committee.	/	

Attachment 11

Statement of the Board of Directors' Responsibility for Financial Statements

The Board of Directors of TISCO Financial Group Public Company Limited is responsible for the Company's financial statements, the consolidated financial statements of the Company and its subsidiaries, and all financial information presented in the annual report. The financial statements have been prepared in accordance with generally accepted accounting standards applicable in Thailand, which are based on appropriate accounting policies, consistently applied and practiced, prudent judgment and best accounting estimates. All material information has been sufficiently disclosed in the notes to financial statements. These financial statements also have been made in compliance with the stipulations of the Notification of the Bank of Thailand, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The financial statements have been audited and expressed with unqualified audit opinion by an independent auditor, which reflected fair and transparent financial position and operating performance that is useful information for shareholders and general investors.

The Board of Directors has established effective risk management and internal control systems to ensure that the reliability and completeness of financial information are in place, with the ability to protect the Company's assets, as well as identifying the weaknesses of operation in order to adequately prevent operational risk.

In this regard, the Board of Directors has appointed the Audit Committee, comprising independent directors, to oversee qualitative aspects of financial reporting and internal control systems. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this annual report.

The Board of Directors views that the Company's internal control systems are satisfactory and provide reasonable assurance as to the reliability of both the Company's financial statements and the consolidated financial statements of the Company and its subsidiaries as of December 31, 2020.

- Pliu Mangkornkanok -

(Mr. Pliu Mangkornkanok)

Chairman of the Board

- Suthas Ruangmanamongkol -

(Mr. Suthas Ruangmanamongkol)

Group Chief Executive

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 2020, 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 2020, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

I draw attention to the following matters:

- a) As described in Note 2 to the financial statements, the Group has adopted the set of Thai Financial Reporting Standards related to financial instruments in the preparation of current year's financial statements and recognized the cumulative effect in accordance with these financial reporting standards and the Bank of Thailand's guideline.
- b) As described in Notes 1.2 and 1.5 to the 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 Group has elected to adopt the Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as issued by the Federation of Accounting Professions in preparing the financial statements.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgments, 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 4.8 to the financial statements, as at 31 December 2020, the Group had total loans to customers of Baht 226,714 million (accounting for 82% of total assets) and allowance for expected credit loss of Baht 11,826 million, which are material to the financial statements. In 2020, the Group has adopted Thai Financial Reporting Standard No. 9 Financial Instruments, which became effective on 1 January 2020. This standard stipulates the basis to be used for calculation of impairment on financial assets using the expected credit loss method. The basis requires complex calculation modeling, which involves the use of significant management judgments 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 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 judgments 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 increases 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 documented policy, which addressed the policies and approaches used to derive the estimation of expected credit loss, and its approval by adequacy of the disclosure 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 based on the change in credit risks since initial recognition 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 2020, the Group recognized interest income on loans to customers amounting to Baht 16,363 million (accounting for 87% of total income), which is considered main income of the Group. The Group recognizes interest income using the effective interest rate method, which involves use of management judgments 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 recognized correctly, appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand.

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 comprise 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 judgment 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: 11 February 2021

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Assets					
Cash		1,220,207	1,102,557	70	70
Interbank and money market items - net	4.3, 4.10	38,212,028	45,300,141	17,394	1,098,459
Financial assets measured at fair value through profit or loss	4.4	2,173,020	-	890,053	-
Derivatives assets	4.5	62,095	21,907	-	-
Investments - net	4.6, 4.10	9,953,256	9,363,032	205,965	836,827
Investments in subsidiaries and joint venture - net	4.7	804,925	813,602	20,069,143	20,069,135
Loans to customers and accrued interest receivables	4.8, 4.10				
Loans to customers		244,355,748	263,569,157	3,180,000	2,210,000
Accrued interest receivables and undue interest income		1,901,983	1,240,929	-	-
Total loans to customers and accrued interest receivables		246,257,731	264,810,086	3,180,000	2,210,000
Less: Deferred revenue		(19,544,201)	(20,743,017)	-	-
Less: Allowance for expected credit loss	4.9	(11,825,544)	-	(4,134)	-
Less: Allowance for doubtful accounts	4.9	-	(10,709,365)	-	-
Less: Allowance for loss on debt restructuring	4.9	-	(7,343)	-	-
Loans to customers and accrued interest receivables - net		214,887,986	233,350,361	3,175,866	2,210,000
Properties foreclosed - net	4.11	29,671	18,429	-	-
Investment properties	4.12	27,334	30,304	910,728	955,266
Premises and equipment - net	4.13	2,921,739	2,984,152	826,965	800,379
Right-of-use assets - net	4.14	885,486	-	879	-
Intangible assets - net	4.15	214,268	329,460	98,827	124,209
Deferred tax assets	4.33	766,444	1,324,904	202,800	146,763
Securities and derivatives business receivables - net		1,058,180	1,164,066	-	-
Dividend receivables from subsidiaries	4.35	-	-	3,844,954	5,877,944
Other assets	4.16	2,226,573	2,340,175	188,819	196,712
Total assets		275,443,212	298,143,090	30,432,463	32,315,764

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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and equity					
Liabilities					
Deposits	4.17	203,472,825	216,084,551	-	-
Interbank and money market items	4.18	5,807,646	4,656,133	3,780,000	-
Liabilities payable on demand		1,284,765	306,867	-	-
Debts issued and borrowings	4.19	12,825,919	25,016,919	1,629,000	6,300,000
Lease liabilities	4.20	828,590	-	889	-
Provisions	4.21	1,691,054	1,485,868	291,741	265,897
Deferred tax liabilities	4.33	1,097	-	-	-
Securities and derivatives business payables - net		1,033,041	820,545	-	-
Accrued interest payable		735,903	1,005,621	1,029	17,045
Income tax payable		495,672	911,330	10,237	9,380
Other liabilities	4.22	7,804,621	8,659,142	1,603,518	1,449,497
Total liabilities		235,981,133	258,946,976	7,316,414	8,041,819

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 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
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	4.24	1,837,917	1,810,936	304,430	348,081
Retained earnings					
Appropriated - statutory reserve		801,000	801,000	801,000	801,000
Unappropriated		27,795,056	27,556,084	6,972,541	8,086,786
		<u>39,458,936</u>	<u>39,192,983</u>	<u>23,116,049</u>	<u>24,273,945</u>
Equity attributable to equity holders of the Company					
Non-controlling interest of the subsidiaries		3,143	3,131	-	-
		<u>39,462,079</u>	<u>39,196,114</u>	<u>23,116,049</u>	<u>24,273,945</u>
Total equity					
Total liabilities and equity		<u>275,443,212</u>	<u>298,143,090</u>	<u>30,432,463</u>	<u>32,315,764</u>
		-	-	-	-

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



(Mr. Suthas Ruangmanamongkol)

Group Chief Executive



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



(Mr. Sakchai Peechapat)

President and Chief Operating Officer

TISCO Financial Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Interest income	4.25	16,756,709	17,881,207	65,370	60,658
Interest expenses	4.26	(3,659,000)	(5,088,798)	(70,440)	(86,109)
Net interest income		13,097,709	12,792,409	(5,070)	(25,451)
Fee and service income		5,459,691	6,510,972	-	-
Fee and service expenses		(313,660)	(325,754)	(21,975)	(17,175)
Net fee and service income	4.27	5,146,031	6,185,218	(21,975)	(17,175)
Net gain on financial instruments measured at fair value through profit or loss	4.28	257,485	-	53,226	-
Net loss on trading and foreign exchange transactions	4.29	-	(24,227)	-	(59,493)
Net gain on investments	4.30	12,372	6,817	-	-
Share of profit (loss) from investment accounted for under equity method	4.7.2	(1,717)	12,108	-	-
Dividend income	4.7.1	58,903	64,617	4,821,694	5,877,944
Penalty fee income from loans		217,139	294,907	-	-
Intercompany supporting fee income	4.35	-	-	2,145,465	2,185,213
Other operating income		116,021	103,796	79,293	84,092
Total operating income		18,903,943	19,435,645	7,072,633	8,045,130
Operating expenses					
Employee expenses		5,288,351	6,410,362	1,062,114	997,625
Directors' remuneration		18,160	18,125	18,160	18,125
Premises and equipment expenses		1,272,885	1,304,846	624,414	610,850
Taxes and duties		276,538	296,605	2,238	2,298
Other operating expenses		1,155,889	1,240,853	81,555	113,108
Total operating expenses		8,011,823	9,270,791	1,788,481	1,742,006
Bad debts, doubtful accounts and impairment loss	4.31	-	1,109,103	-	-
Expected credit loss	4.32	3,330,604	-	172,415	-
Profit from operations before income tax expenses		7,561,516	9,055,751	5,111,737	6,303,124
Income tax expenses	4.33	1,497,654	1,782,553	52,442	78,840
Total profit for the year		6,063,862	7,273,198	5,059,295	6,224,284

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 2020

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

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Other comprehensive income:					
<i>Other comprehensive income to be reclassified 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		2,053	-	(1,536)	-
Gain on valuation of available-for-sale investments		-	74,272	-	114,260
Share of other comprehensive income of joint venture - Cash flow hedges of joint venture (loss)		(6,960)	1,342	-	-
Income tax effects	4.33	(411)	(14,854)	307	(22,852)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(5,318)	60,760	(1,229)	91,408
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss		(40,273)	(288,575)	(13,848)	(20,627)
Income tax effects	4.33	8,072	57,556	2,770	4,125
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(32,201)	(231,019)	(11,078)	(16,502)
Other comprehensive income for the year (loss)		(37,519)	(170,259)	(12,307)	74,906
Total other comprehensive income for the year		6,026,343	7,102,939	5,046,988	6,299,190
Profits attributable to					
Equity holders of the Company	4.34	6,063,483	7,270,233	5,059,295	6,224,284
Non-controlling interests of the subsidiaries		379	2,965		
		<u>6,063,862</u>	<u>7,273,198</u>		
Total comprehensive income attributable to					
Equity holders of the Company		6,025,964	7,100,094	5,046,988	6,299,190
Non-controlling interests of the subsidiaries		379	2,845		
		<u>6,026,343</u>	<u>7,102,939</u>		
Earnings per share of equity holders of the Company					
Basic earnings per share (Baht per share)	4.34	7.57	9.08	6.32	7.77

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit from operations before income tax	7,561,516	9,055,751	5,111,737	6,303,124
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	657,177	381,961	124,178	144,587
Expected credit loss	5,116,156	-	172,415	-
Bad debts and doubtful accounts	-	2,971,802	-	-
Share of (profit) loss from investment accounted for under equity method	1,717	(12,108)	-	-
Allowance for impairment of investments	-	4,769	-	-
Allowance for impairment of properties foreclosed (reversal)	564	(11,111)	-	-
Gain on disposal of investments in securities	(12,372)	(12,501)	-	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	(21,803)	41,056	1,738	57,716
Gain on financial instruments measured at fair value through profit or loss	(253,456)	-	(54,964)	-
Loss on changes in value of investment properties	2,970	1,022	-	-
Gain on disposal of equipment and intangible assets	(4,891)	(3,290)	(316)	(830)
Loss on written-off of equipment and intangible assets	2,751	2,297	248	55
Gain on disposal of properties foreclosed	(33,340)	(42,934)	-	-
Employee benefit expenses	204,697	406,899	24,364	72,178
Decrease (increase) in accrued income	184,294	(306,256)	(6,506)	4,195
Increase (decrease) in accrued expenses	(801,440)	383,486	148,384	6,581
Net interest income	(13,097,709)	(12,792,409)	5,070	25,451
Dividend income	(58,903)	(64,617)	(4,821,694)	(5,877,944)
Cash received on interest income	15,729,391	16,948,275	61,468	60,526
Cash paid on interest expenses	(3,364,522)	(3,900,762)	(86,432)	(78,935)
Cash received on dividend income	58,903	64,617	6,854,684	5,258,642
Cash received on income tax	-	18,967	-	-
Cash paid on income tax	(1,456,983)	(1,839,085)	(104,386)	(87,136)
Profit from operating activities before changes in operating assets and liabilities	10,414,717	11,295,829	7,429,988	5,888,210
Operating assets (increase) decrease				
Interbank and money market items	7,077,408	8,758,584	1,080,847	(456,943)
Loans to customers	12,400,949	(7,808,565)	(970,000)	(135,000)
Securities and derivatives business receivables	105,886	(215,538)	-	-
Receivables from clearing house	(291,291)	114,006	-	-
Properties foreclosed	1,855,053	1,746,124	-	-
Other assets	388,509	3,655	14,399	-33,924

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

TISCO Financial Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Operating liabilities increase (decrease)				
Deposits	(12,611,726)	22,976,241	-	-
Interbank and money market items	1,151,513	281,459	3,780,000	-
Liabilities payable on demand	977,898	68,648	-	-
Securities and derivatives business payables	212,496	(174,731)	-	-
Short-term debts issued and borrowings	(2,351,000)	460,000	(4,671,000)	460,000
Payables to clearing house	(28,955)	278,256	-	-
Provision for long-term employee benefits	(54,500)	(37,048)	(12,368)	(3,894)
Other liabilities	(328,901)	(565,974)	5,637	(38,646)
Net cash flows from operating activities	18,918,056	37,180,946	6,657,503	5,679,803
Cash flows from investing activities				
Cash paid for purchase of investments in securities	(31,435,476)	(36,584,587)	(371,662)	(122,989)
Cash received from disposal of investments in securities	29,164,080	36,256,313	-	123,000
Cash paid for purchase of equipment	(168,903)	(206,836)	(64,792)	(54,931)
Cash paid for purchase of intangible assets	(30,943)	(46,891)	(18,120)	(27,518)
Cash received from disposal of equipment	7,663	3,565	2,415	7,036
Cash received from disposal of intangible assets	-	395	-	36
Cash paid for acquisition of a subsidiary	-	(87,719)	(8)	(8)
Net cash flows used in investing activities	(2,463,579)	(665,760)	(452,167)	(75,374)
Cash flows from financing activities				
Cash received from issuance of long-term debentures	4,160,000	2,400,000	-	-
Cash paid for redemption of long-term debentures	(14,000,000)	(33,400,000)	-	-
Cash paid on lease liabilities	(291,784)	-	(293)	-
Dividend paid	(6,205,043)	(5,604,429)	(6,205,043)	(5,604,429)
Net cash flows used in financing activities	(16,336,827)	(36,604,429)	(6,205,336)	(5,604,429)
Net increase (decrease) in cash	117,650	(89,243)	-	-
Cash at beginning of the year	1,102,557	1,191,800	70	70
Cash at end of the year	1,220,207	1,102,557	70	70
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions				
Right-of-use assets	158,039	-	-	-
Transfer-in of properties foreclosed in settlement of loans to customers	11,242	7,572	-	-
Transfer of investment properties to premises and equipment	-	8,062	44,538	-
Transfer of premises and equipment to investment properties	-	-	-	124,223

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 2020

(Unit: Thousand Baht)

Consolidated financial statements														
Equity attributable to equity holders of the Company														
	Issued and paid-up			Other components of equity					Retained earnings		Total equity		Equity	
	Preference shares	Ordinary shares	Share premium on ordinary shares	Deficit on changes in value of available-for-sale investments	Surplus on changes in value of fair value through other comprehensive income	Surplus on revaluation of assets	Share of other comprehensive income of joint venture	Adjustment from business combination of entities under common control restructuring plan	Total	Appropriated	Unappropriated	the Company	the subsidiaries	Total
Balance as at 1 January 2019	99	8,006,456	1,018,408	(91,062)	-	1,164,360	1,260	679,266	1,753,824	801,000	26,116,740	37,696,527	132,929	37,829,456
Dividend paid (Note 5)	-	-	-	-	-	-	-	-	-	-	(5,604,429)	(5,604,429)	-	(5,604,429)
Profit for the year	-	-	-	-	-	-	-	-	-	-	7,270,233	7,270,233	2,965	7,273,198
Other comprehensive income for the year (loss)	-	-	-	59,418	-	-	1,342	-	60,760	-	(230,899)	(170,139)	(120)	(170,259)
Total comprehensive income for the year	-	-	-	59,418	-	-	1,342	-	60,760	-	7,039,334	7,100,094	2,845	7,102,939
Transfer surplus on revaluation of assets														
to retained earnings	-	-	-	-	-	(3,648)	-	-	(3,648)	-	4,439	791	-	791
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(132,643)	(132,643)
Balance as at 31 December 2019	99	8,006,456	1,018,408	(31,644)	-	1,160,712	2,602	679,266	1,810,936	801,000	27,556,084	39,192,983	3,131	39,196,114
Balance as at 1 January 2020	99	8,006,456	1,018,408	(31,644)	-	1,160,712	2,602	679,266	1,810,936	801,000	27,556,084	39,192,983	3,131	39,196,114
Cumulative effects due to the adoption														
of new financial reporting standards (Note 2)	-	-	-	35,873	-	-	-	-	35,873	-	408,369	444,242	-	444,242
Reclassification	-	-	-	(4,229)	4,229	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2020 - after adjustment	99	8,006,456	1,018,408	-	4,229	1,160,712	2,602	679,266	1,846,809	801,000	27,964,453	39,637,225	3,131	39,640,356
Dividend paid (Note 5)	-	-	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)	-	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	-	-	6,063,483	6,063,483	379	6,063,862
Other comprehensive income for the year (loss)	-	-	-	-	1,642	-	(6,960)	-	(5,318)	-	(32,201)	(37,519)	-	(37,519)
Total comprehensive income for the year (loss)	-	-	-	-	1,642	-	(6,960)	-	(5,318)	-	6,031,282	6,025,964	379	6,026,343
Transfer surplus on revaluation of assets														
to retained earnings	-	-	-	-	-	(3,574)	-	-	(3,574)	-	4,364	790	-	790
Decrease in non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(367)	(367)
Balance as at 31 December 2020	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

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 2020

(Unit: Thousand Baht)

	Separate financial statements										
	Issued and paid-up		Share premium		Other components of equity			Total	Retained earnings		Total
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Surplus on changes in value of available-for-sale investments	Deficit on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets		Appropriated	Unappropriated	
Balance as at 1 January 2019	99	8,006,456	87	7,031,436	(49,621)	-	306,925	257,304	801,000	7,482,643	23,579,025
Dividend paid (Note 5)	-	-	-	-	-	-	-	-	-	(5,604,429)	(5,604,429)
Profit for the year	-	-	-	-	-	-	-	-	-	6,224,284	6,224,284
Other comprehensive income for the year (loss)	-	-	-	-	91,408	-	-	91,408	-	(16,502)	74,906
Total comprehensive income for the year	-	-	-	-	91,408	-	-	91,408	-	6,207,782	6,299,190
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	-	(631)	(631)	-	790	159
Balance as at 31 December 2019	99	8,006,456	87	7,031,436	41,787	-	306,294	348,081	801,000	8,086,786	24,273,945
Balance as at 1 January 2020	99	8,006,456	87	7,031,436	41,787	-	306,294	348,081	801,000	8,086,786	24,273,945
Cumulative effects due to the adoption of new financial reporting standards (Note2)	-	-	-	-	(41,787)	-	-	(41,787)	-	41,787	-
Balance as at 1 January 2020 - after adjustments	99	8,006,456	87	7,031,436	-	-	306,294	306,294	801,000	8,128,573	24,273,945
Dividend paid (Note 5)	-	-	-	-	-	-	-	-	-	(6,205,043)	(6,205,043)
Profit for the year	-	-	-	-	-	-	-	-	-	5,059,295	5,059,295
Other comprehensive income for the year (loss)	-	-	-	-	-	(1,229)	-	(1,229)	-	(11,078)	(12,307)
Total comprehensive income for the year (loss)	-	-	-	-	-	(1,229)	-	(1,229)	-	5,048,217	5,046,988
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	-	-	(635)	(635)	-	794	159
Balance as at 31 December 2020	99	8,006,456	87	7,031,436	-	(1,229)	305,659	304,430	801,000	6,972,541	23,116,049

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 2019

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

1.1 Basis of preparation of financial statements

The financial statements for the year ended 31 December 2020 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 has been made in compliance with the BOT's Notification No. Sor Nor Sor. 21/2561, dated 31 October 2018, regarding "Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups", which has become effective for the year 2020.

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 judgments 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 4.1 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

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2020. 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, except the new standards involving changes to key principles, which are summarized below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows:

Classification and measurement of financial assets

Financial assets - Debt instruments

The Group classifies its financial assets - debt instruments as financial assets that are subsequently to be measured at either amortized cost or fair value in accordance with the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, based on the facts and circumstances as of the date these financial reporting standards were initially adopted. Classifications are as follows:

- Financial assets measured at amortized cost, when both of the following conditions are met: the financial asset is held within a business model whose objective is to hold 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.
- Financial assets measured at fair value through other comprehensive income, when 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.
- Financial assets measured at fair value through profit or loss, when the financial asset is held within a business model whose objective is not to hold 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.

Despite the foregoing, these financial assets - debt instruments may be designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch, with such designation being irrevocable.

Financial assets - Equity instruments

All investments in equity are measured at fair value in the statement of financial position.

The Group's management reviewed and assessed existing financial assets as at 1 January 2020, based on the facts and circumstances that existed at that date, and concluded that the following significant changes were required to classification and measurement of the Group's financial assets.

- Termination of the former classification of investments in debt securities as held-to-maturity and available-for-sale, and investments in equity securities as trading, available-for-sale and general investments.
- Classification of the former investments in held-to-maturity debt securities as financial assets measured at amortized cost.
- Classification of the former investments in available-for-sale debt securities as financial assets measured at fair value through other comprehensive income except for investments in unit trusts which are measured at fair value through profit or loss.
- Classification of all investments in equity securities as financial assets measured at fair value through profit or loss, in accordance with the Group's investment policy. As a result of the reclassification, the surplus (deficit) on changes in value of available-for-sale investments previously presented as part of other comprehensive income is to be reclassified and presented in retained earnings. Gain on fair value

measurement of investments in equity instrument of non-listed companies is recognized in the retained earnings.

- Classification of loan receivables as financial assets measured at amortized cost.
- Classification of derivatives assets as financial assets measured at fair value through profit or loss.

Classification and measurement of financial liabilities

The adoption of these standards does not have an impact on the classification of financial liabilities. The Group continues to classify and measure its financial liabilities at amortized cost, except for derivatives liabilities which are measured at fair value through profit or loss.

Impairment of financial assets

This TFRS requires entities to estimate allowance for expected credit loss in place of the incurred loss recognized under the previous accounting policy. It requires that impairment loss be recognized using the Expected Credit Loss Model, with a management overlay, for all financial assets that are debt instruments and not measured at fair value through profit or loss, including for undrawn commitments and financial guarantees, and it is not necessary for a credit-impaired event to have occurred prior to the recognition. The Group adopts the General Approach to determine expected credit loss of financial assets e.g. loans to customers, loans to financial institutions and investments in debt instruments.

Moreover, the Group considers using the Simplified Approach to determine allowance for expected credit loss over a lifetime for accrued fee and service income.

Practice during transitional period

The Group has adopted these financial reporting standards whereby the cumulative effect is recognized as an adjustment to the retained earnings or other components of equity as at 1 January 2020, and the comparative information was not restated. Therefore, the presentation of the 2019 figures cannot be compared with the financial statements for the year 2020.

The cumulative effect of the changes is described in Note 2 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low in value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases, adopting the same principles as those of TAS 17.

The Group has adopted these financial reporting standards whereby the cumulative effect is recognized as an adjustment to the retained earnings as at 1 January 2020 (if any), and at the initial adoption the comparative information was not restated.

The cumulative effect of the changes is described in Note 2 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors

Impacted by Situations that Affect the Thai Economy

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. Such entities include credit card business, business providing loans secured against vehicle registrations without collateral, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the BOT's measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it 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. If it is a provision of assistance to debtors in accordance with the circular of the BOT No. BOT.RPD.(01).C. 380/2563, classification of the debtor remains at the same stage as before.
- (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 recognizes 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 cases where a general approach is used 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, on 19 June 2020 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".

During the year 2020, the Group has entered into the scheme to provide assistance to affected debtors and elected to apply the above accounting guidance.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

As of 31 December 2020, the Group has elected to apply the following temporary relief measures on accounting alternatives:

- To measure the fair value as at 31 December 2020 of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.

The Group has evaluated that there will be no significant impact on the Group's financial statements after the relief measures expire.

b) Financial reporting standards that will become effective for fiscal year beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of 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 management of the Group has evaluated that these standards do not have any significant impact on the Group's financial statements in the year when they are adopted.

1.6 Significant accounting policies

1.6.1 Income recognition

a) Interest and discounts on loans

Since 1 January 2020, the Group has recognizes 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. If loans to customers are later credit-impaired, the Group recognizes 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.

Prior to 1 January 2020, interest on loans was recognized as income on an accrual basis and was based on principal outstanding. Interest on hire purchase receivables and loan against auto license receivables was recognized as income over installment period using effective interest rate method. The Group had policies to cease accruing income for corporate loans on which interest payments had been defaulted for more than one month and to cease accruing income for other loan accounts on which interest payments had been overdue for more than three months. The Group would reverse the already recorded accrued interest from accounts and after that interest would be recognised as income on a cash basis. The accounts would be reinstated to an accrual basis when the overdue amounts were received.

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 dividends 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) Gain (loss) on trading of securities and derivatives

Gain (loss) on trading of securities and derivatives is recognised as income or expenses on the transaction date.

f) 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.

g) 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 at year-end when it is certain that the income has occurred.

1.6.2 Expense recognition

a) Interest expenses, fee and service expenses and other operating expenses

Interest expenses, fee and service expenses and other operating expenses are recognised on an accrual basis.

b) Commissions and direct expenses of hire purchase/loan receivables

The subsidiaries record the initial commissions and direct expenses arising in respect of hire purchase and loan receivables contracts using the effective interest rate method, and deduct them from interest income over the agreement term.

Deferred revenue is stated net of commissions and direct expenses incurred at the initiation of the hire purchase contract.

1.6.3 Securities purchased under resale agreements according to private repurchase transactions

The subsidiary company 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.

1.6.4 Financial assets - Investments

Since 1 January 2020, the Group has classified investments in securities as financial assets - debt instruments and equity instruments as follows:

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. 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 from changes in fair value is recognised in profit or loss.

At the end of reporting period, investment 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, gain or loss from changes in fair value is presented as a separate item in other comprehensive income.

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 net of allowance for expected credit loss (if any).

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 as at transaction date.

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, gain or loss from subsequent changes in fair value of investments in equity instruments 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.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flows techniques and/or determined by using a book value of the investees. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the BOT, which is based on the yield rates quoted by the Thai Bond Market Association or other financial institutions, as the case may be. The fair value of unit trusts is determined based on their net asset value.

Income from investments and disposals of investments

Interest and dividend income on investments is recognised in profit or loss.

Gain (loss) on disposals of investments is recognised in profit or loss on the settlement date. The weighted average method is used for computation of the cost of investments.

Recognition

Purchases and sales of investments are recognised on the settlement date.

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 in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

Accounting policies adopted before 1 January 2020

Prior to 1 January 2020, the Group classified its investments as follows:

- a) Investments in trading securities are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recognised as part of profit or loss when the securities are sold.
- c) Investments in held-to-maturity debt securities are recorded at amortised cost less allowance for impairment loss (if any). The premium/discount on debt securities is amortised/accreted by the effective interest rate with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which are classified as general investments, are stated at cost net of allowance for impairment loss (if any).
- e) The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of government and

state enterprise securities and private sector debt securities is calculated using the formula determined by the BOT, which is based on the yield rates quoted by the Thai Bond Market Association or other financial institutions, as the case may be. The fair value of unit trusts is determined based on their net asset value.

- f) Loss on impairment (if any) of investments in available-for-sale securities, held-to-maturity debt securities and general investments is recognised in profit or loss.
- g) The weighted average method is used for computation of the cost of investments.
- h) In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The differences between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of equity, depending on the type of investment that is reclassified.
- i) Purchases and sales of investments are recorded on the settlement date.

1.6.5 Investments in receivables purchased or transferred in

Since 1 January 2020, the Group has reclassified 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 are presented in the statement of financial position at amortised cost net of allowance for expected credit loss (if any).

Accounting policies adopted before 1 January 2020

Prior to 1 January 2020, investments in receivables purchased or transferred in are classified as held-to-maturity securities, and are valued at acquisition cost net of allowance for impairment (if any).

If the receivable enters into a troubled debt restructuring process, the investment will be transferred to loans to customers and presented at fair value, net of allowance for doubtful debts. The fair value is based on the outstanding balance of the receivable as at the transfer date or the date of restructuring. Allowance for doubtful debts is based on the same BOT's guideline as allowance for loans to customers.

1.6.6 Investments in subsidiaries and joint venture

Investment in joint venture is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and joint venture are accounted for in the separate financial statements using the cost method.

1.6.7 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.

1.6.8 Loans to customers

Loans to customers are stated at the principal balances, excluding accrued interest receivables. Unrecognised deferred revenue/discounts on loans to customers are deducted from loans to customers.

Hire purchase and finance lease 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 contracts and advances received from finance lease receivables.

1.6.9 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, and other receivables such as securities receivables that are subject to legal proceeding, undergoing restructuring or settling in installments.

1.6.10 Allowance for expected credit loss/Allowance for doubtful accounts

Accounting policies adopted since 1 January 2020 - Allowance for expected credit loss

The Group applies the General Approach to calculate 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 expected credit loss at an amount equal to expected credit loss over the expected lifetime of the financial asset.

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

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset occur. The Group recognises the 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 may use internal quantitative or 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 and 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 of that contractual cash flows will not be recoverable has decreased significantly and there are no other indicators of impairment.

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 and macroeconomic forecasts. 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 for 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.

In addition, the Group has adopted the accounting guidance in determining the staging of loans to customers for debtors meeting the criteria for relief measures in accordance with the BOT's circulars.

Accounting policies adopted before 1 January 2020 - Allowance for doubtful accounts

The Group provided allowance for doubtful accounts of loans to customers in accordance with the Notifications of the BOT and adjusted these by the additional amount which is expected not to be collectible based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

For all loans to customers except for hire purchase receivables and loan against auto license receivables that are classified as pass and special mention, the Group records provision at a rate of not less than 1% and not less than 2% of the debt balance net of collateral value excluding accrued interest receivables, respectively. For non-performing loans to customers which are classified as sub-standard, doubtful and doubtful of loss, the Group records allowance for doubtful accounts at a rate 100% of the debt balance remaining after deducting the present value of expected future cash inflows from debt collection or from collateral disposal, with the discount interest rate and the period of collateral disposal being set with reference to the BOT's Notifications.

For hire purchase receivables and loan against auto license receivables that are classified as pass, special mention and non-performing loans, the Group uses a collective approach, based on historical loss and behavioral grading of those receivables, except for loan against auto license receivables of other subsidiaries which are classified as pass and special mention, the subsidiaries record provision at a rate of not less than 1% and not less than 2% of the debt balance net of collateral value excluding accrued interest receivables, respectively. For non-performing loans against auto license receivables to which are classified as sub-standard, doubtful and doubtful of loss, the subsidiaries record allowance for doubtful accounts at a rate 100% of the debt balance net of collateral.

For a subsidiary operating a securities business, an allowance for doubtful accounts is set aside based on a review of debtors' ability to make repayment, taking into consideration of recovery risk and the value of the collateral. An allowance is set aside for doubtful debts for which their collaterals do not fully cover and/or those which may not be fully recovered. Such debt classifications and provisions are made in accordance with the Notification of the Office of the Securities and Exchange Commission and consideration of other relevant factors.

Allowance for doubtful accounts for other receivables is provided for the estimated loss that may be incurred in the collection of receivables and based on the review of current status of receivables outstanding at the end of reporting period.

1.6.11 Financial assets with modifications of terms/Debt restructuring

Since 1 January 2020, 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 financial asset with a significant increase in credit risk (Stage 2) or as a financial asset that is credit-impaired (Stage 3) unless the debtor has been able to make payment in accordance with the debt restructuring agreement for not less than 12 months counting from the restructuring date. At that point, 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).

Prior to 1 January 2020, the Group recorded troubled debt restructuring transactions in accordance with the BOT's regulations and Thai Accounting Standard regarding "Accounting for Troubled Debts Restructuring". In case where the debt restructuring involves modifications of terms of receivables, the fair value of receivables after restructuring represents the net present value of the expected future cash inflows, discounted using the cost of fund rates prevailing at the restructuring date. In case where the cost of fund rates are lower than the interest rates specified in the term of modifications, the Group will use the interest rates specified in the term of modifications as the discount rates. The Group records differences between the fair value of receivables and the balance of net book value of receivables as of restructuring date as expenses in profit or loss.

1.6.12 Recognition and derecognition of customer 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 date, the subsidiary writes the amounts which are unsecured off from both assets and liabilities and 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 through agreements made with borrowers and lenders of securities, which are the subsidiary's customers.

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 year, 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. The values of the repossessed assets are stated at the lower of cost (fair value of assets at the transfer date, not exceeding the legally claimable amount of outstanding debt) or net realisable value. Net realisable value is determined at the market value or the appraisal value of repossessed assets less estimated selling expenses. The subsidiary operating a banking business is required to record the additional reserve for declining in value 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 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 value of investment properties is recognised in profit or loss when incurred.

On disposal of investment properties, the difference between the net disposal proceed and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

1.6.16 Premises and equipment/Depreciation

Land is stated at cost. 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, and subsequently revalued by an independent professional appraiser to their fair values. 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 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
Buildings and office condominiums	-	18 - 50	years
Office improvements	-	5, 20	years
Furniture, fixtures and equipment	-	5	years
Motor vehicles	-	5, 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 premises 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.

Accounting policies adopted since 1 January 2020

The Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. 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.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any 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 their estimated useful lives and the lease term.

Land and buildings - 1 - 15 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 period 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 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.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

1.6.18 Intangible assets

The Group initially recognises intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss (if any).

The Group amortises intangible assets with finite lives on a systematic basis over the economic useful life and tests for impairment whenever there is an indication that the intangible assets may be impaired. The Group reviews the amortisation period and the amortisation method of such intangible assets at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite lives are software license fees that the Group amortises over the following estimated useful lives:

- | | | |
|---|---|---|
| The license agreements with specified number of years of usage | - | according to the period of license agreement by the straight-line basis |
| The license agreements with no specified number of years of usage | - | 5 years by the straight-line basis |
| No license agreements | - | 5 years by the straight-line basis |

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 assets non-financial assets

At the end of each reporting period, the Group assesses whether there is an indication that an 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 previously recognised impairment loss may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A 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 rate ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the reference rates announced by the BOT at the end of each reporting period.

Gain and loss on exchange is included in determining income.

1.6.23 Employee benefits

a) Short-term employee benefits

The Group records salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Part of bonus expenses of the Group is annual bonus which is remuneration for employees' annual performance that is paid in cash, a part of which is paid with reference to the Company's share price. The Group records these expenses and 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 plan. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, 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

The subsidiary operating a banking business records derivatives held for trading under fair value method. The subsidiary records gain (loss) from changes in fair value of derivatives in profit or loss. 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.

Derivatives are initially recognised at fair value on the trade date and classified as trading. The subsequent changes are recognised as net profit (loss) from 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.

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's financial instruments principally comprise cash, interbank and money market items (assets), financial assets measured at fair value through profit or loss, derivatives assets, investments, securities and derivatives business receivables, receivables from clearing house, loans to customers and accrued interest receivables, deposits, interbank and money market items (liabilities), liabilities payable on demand, derivatives liabilities, debts issued and borrowings, lease liabilities, accrued interest payable, securities and derivatives business payables and payables to clearing house. The financial risks associated with these financial instruments and how they are managed is described in Note 4.39 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 values 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, deposits, interbank and money market items (liabilities), liabilities payable on demand, securities and derivatives business payables and payables to clearing house, the carrying amounts in the statement of financial position approximate their fair value.
- For investments in debt securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- For investments in marketable equity securities, their fair value is generally derived from quoted market prices, or based on discounted future cash flows and/or book value of the investees for investments in non-marketable equity securities.
- 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. Hire purchase receivables and other retail loans are presented at fair value, which is the present value of future cash inflows, discounted by the current interest rate for new loans.
- 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 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets and liabilities, the management is required to make judgement on whether significant risks and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Allowance for expected credit loss on financial assets

The management is required to use judgement in estimating the allowance for expected credit loss on financial assets. The estimation relies on a complex model, a dataset of assumptions, model development and assessments related to the increase in credit risk, as well as the selection of forward-looking information, which involves a large number of variables. Therefore, actual results could differ from these estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of both the company 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 4.12 to the financial statements.

Premises and equipment/Depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of premises and equipment and to review estimated useful lives and residual values 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 4.13 to the financial statements.

In addition, the management is required to review premises 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.

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its 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 losses to the extent that it is probable that taxable profits will be available against which the temporary differences and losses 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. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.5 a) to the financial statements, during the current year, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of equity as at 1 January 2020. Therefore, the comparative information was not restated.

The amounts of adjustments affecting the statement of financial position as at 1 January 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Million Baht)

	Consolidated financial statements			1 January 2020
	The impacts of			
	31 December 2019	Financial reporting standards related		
		to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Financial assets measured at				
fair value through profit or loss	-	1,921	-	1,921
Investments - net	9,363	(1,366)	-	7,997
Right-of-use assets	-	-	1,062	1,062
Deferred tax assets	1,325	(111)	-	1,214
Other assets	2,340	-	(78)	2,262
Liabilities				
Lease liabilities	-	-	984	984
Equity				
Other components of equity	1,811	36	-	1,847
Retained earnings - unappropriated	27,556	408	-	27,964

(Unit: Million Baht)

	Separate financial statements			1 January 2020
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Financial assets measured at				
fair value through profit or loss	-	837	-	837
Investments - net	837	(837)	-	-
Right-of-use assets	-	-	1	1
Liabilities				
Lease liabilities	-	-	1	1
Equity				
Other components of equity	348	(42)	-	306
Retained earnings - unappropriated	8,087	42	-	8,129

2.1 Financial instruments

Details of the impact on equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Other components of equity		
Classification of investments in available-for-sale equity securities as financial assets measured at fair value through profit or loss	20	(53)
Add: Income tax effects	16	11
Impacts on other components of equity due to the adoption of financial reporting standards related to financial instruments	36	(42)

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Retained earnings - unappropriated		
Classification of investments in available-for-sale equity securities as financial assets measured at fair value through profit or loss	(20)	53
Fair value measurement of investments in equity instruments of non-listed companies	555	-
Less: Income tax effects	<u>(127)</u>	<u>(11)</u>
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>408</u>	<u>42</u>

The classifications and measurements of financial assets and financial liabilities in accordance with TFRS 9, compared with the classifications and measurements of the carrying amounts under the former basis, are as follows:

(Unit: Million Baht)

Consolidated financial statements					
Classification and measurement under the former basis as at 31 December 2019	Classification and measurement in accordance with TFRS 9 as at 1 January 2020				
	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	Total	
Financial assets					
Cash	1,103	-	-	1,103	1,103
Interbank and money market items - net	45,300	-	-	45,300	45,300
Derivatives assets	22	22	-	-	22
Investments - net	9,363	1,921	7,997	-	9,918
Loans to customers and accrued interest receivables - net	233,350	-	-	233,350	233,350
Securities and derivatives business receivables - net	1,164	-	-	1,164	1,164
Other assets - receivables from clearing house	1	-	-	1	1
Financial liabilities					
Deposits	216,085	-	-	216,085	216,085
Interbank and money market items	4,656	-	-	4,656	4,656
Liabilities payable on demand	307	-	-	307	307
Debts issued and borrowings	25,017	-	-	25,017	25,017
Securities and derivatives business payables - net	821	-	-	821	821
Accrued interest payable	1,006	-	-	1,006	1,006
Other liabilities - payables to clearing house	339	-	-	339	339

(Unit: Million Baht)

Separate financial statements					
Classification and measurement under the former basis as at 31 December 2019		Classification and measurement in accordance with TFRS 9 as at 1 January 2020			
		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	Total
Financial assets					
Interbank and money market items - net	1,098	-	-	1,098	1,098
Investments - net	837	837	-	-	837
Loans to customers and accrued interest receivables - net	2,210	-	-	2,210	2,210
Financial liabilities					
Debts issued and borrowings	6,300	-	-	6,300	6,300

The table below presents a reconciliation of allowance for impairment as at 31 December 2019 which was recognised in accordance with the BOT and Thai Accounting Standard No. 105 Accounting for Investments in Debt and Equity Securities, and provision for contingent obligation which was recognised in accordance with Thai Accounting Standard No. 37 Provisions, Contingent Liabilities and Contingent Assets, and allowance for impairment as at 1 January 2020 which was recognised in accordance with TFRS 9. All the changes are the result of the remeasurement of allowance for expected credit loss in accordance with TFRS 9.

(Unit: Million Baht)

	Consolidated financial statements		
	As at		As at
	31 December 2019	Remeasurement	1 January 2020
Allowance for expected credit loss			
Investments in available-for-sale debt securities reclassified as investments in debt instruments measured at fair value through other comprehensive income	1	-	1
Loans to customers and accrued interest receivables	10,717	-	10,717
Total	10,718	-	10,718

As at 1 January 2020, there was no allowance for expected credit loss in the separate financial statements.

However, the adoption of these financial reporting standards requires the Group to recognise an allowance for expected credit loss, in place of the allowance for doubtful accounts recognised under the previous accounting method, in accordance with the model for each group of assets. Based on the impact calculation, the subsidiary operating a banking business has a remaining excess loan loss reserve of Baht 2,113 million, which will be released in quarterly amounts over 2 years under the straight-line method, in line with the BOT's guideline.

2.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	461	-
Add: Option to extend lease term	600	1
Less: Deferred interest expenses	(77)	-
Lease liabilities as at 1 January 2020	984	1
Weighted average incremental borrowing rate (percent per annum)	2.50	2.33

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land and buildings	1,062	1
Total right-of-use assets	1,062	1

3. General information

3.1 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.

3.2 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.

3.3 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.

3.4 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 price as charged to other customers.

4. Supplemental information

4.1 Consolidated financial statements

A list of subsidiaries included in the consolidated financial statements as at 31 December 2020 and 2019 is provided below.

Company's name	Nature of business	Country of incorporation	(Unit: Percent)	
			Percentage of shares held by the Company as at 31 December	
			2020	2019
<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
<u>Subsidiaries indirectly held by the Company</u>				
TISCO Investment Advisory Securities Co., Ltd.	Liquidated	Thailand	-	99.99

On 20 April 2020, the 2020 Annual General Meeting of the Shareholders of TISCO Investment Advisory Securities Company Limited (a subsidiary company) passed a resolution to dissolve the company, effective from 20 April 2020. The subsidiary company registered the dissolution with the Ministry of Commerce on 24 April 2020 and registered the completeness of liquidation with the Ministry of Commerce on 28 October 2020.

4.2 Classification of financial assets and financial liabilities

(Unit: Thousand Baht)

	As at 31 December 2020			
	Consolidated financial statements			
	Financial instruments			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	
<i>Financial assets</i>				
Cash	-	-	1,220,207	1,220,207
Interbank and money market items - net	-	-	38,212,028	38,212,028
Financial assets measured at fair value				
through profit or loss	2,173,020	-	-	2,173,020
Derivatives assets	62,095	-	-	62,095
Investments - net	-	9,953,256	-	9,953,256
Loans to customers and accrued interest receivables - net	-	-	214,887,986	214,887,986
Securities and derivatives business receivables - net	-	-	1,058,180	1,058,180
Other assets - receivables from clearing house	-	-	291,896	291,896
<i>Financial liabilities</i>				
Deposits	-	-	203,472,825	203,472,825
Interbank and money market items	-	-	5,807,646	5,807,646
Liabilities payable on demand	-	-	1,284,765	1,284,765
Debts issued and borrowings	-	-	12,825,919	12,825,919
Lease liabilities	-	-	828,590	828,590
Securities and derivatives business payables - net	-	-	1,033,041	1,033,041
Accrued interest payable	-	-	735,903	735,903
Other liabilities - payables to clearing house	-	-	309,866	309,866

(Unit: Thousand Baht)

	As at 31 December 2020			Total
	Separate financial statements			
	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	
<i>Financial assets</i>				
Cash	-	-	70	70
Interbank and money market items - net	-	-	17,394	17,394
Financial assets measured at fair value through profit or loss	890,053	-	-	890,053
Investments - net	-	205,965	-	205,965
Loans to customers and accrued interest receivables - net	-	-	3,175,866	3,175,866
<i>Financial liabilities</i>				
Interbank and money market items	-	-	3,780,000	3,780,000
Debts issued and borrowings	-	-	1,629,000	1,629,000
Lease liabilities	-	-	889	889
Accrued interest payable	-	-	1,029	1,029

4.3 Interbank and money market items - net (assets)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2020			2019		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand and Financial Institutions						
Development Fund	2,814,569	-	2,814,569	1,702,418	290,000	1,992,418
Commercial banks	765,573	19,636,195	20,401,768	329,093	27,530,412	27,859,505
Specialised Financial Institutions	365	14,993,941	14,994,306	968	15,435,083	15,436,051
Total	3,580,507	34,630,136	38,210,643	2,032,479	43,255,495	45,287,974
Add: Accrued interest	563	1,872	2,435	526	11,592	12,118
Less: Allowance for expected credit loss	(984)	(97)	(1,081)	-	-	-
Total domestic	3,580,086	34,631,911	38,211,997	2,033,005	43,267,087	45,300,092
<u>Foreign</u>						
Hong Kong Dollar	31	-	31	49	-	49
Total foreign	31	-	31	49	-	49
Total domestic and foreign	3,580,117	34,631,911	38,212,028	2,033,054	43,267,087	45,300,141

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2020			2019		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	17,402	-	17,402	1,098,249	-	1,098,249
Total	17,402	-	17,402	1,098,249	-	1,098,249
Add: Accrued interest	1	-	1	210	-	210
Less: Allowance for expected credit loss	(9)	-	(9)	-	-	-
Total domestic	17,394	-	17,394	1,098,459	-	1,098,459

As at 31 December 2020 and 2019, 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 purchase 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	
	2020	2019
	Commercial banks	18,800,000
Specialised Financial Institutions	14,700,000	15,000,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at 31 December	
	2020	2019
Commercial banks	18,471,500	26,456,400
Specialised Financial Institutions	14,747,200	15,057,800

4.4 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	Consolidated financial statements as at 31 December 2020		Separate financial statements as at 31 December 2020	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	231,488	454,798	-	-
Domestic non-marketable equity instruments	257,578	772,569	-	-
Other securities - domestic unit trusts	54,856	55,600	-	-
Other securities - foreign unit trusts	803,120	890,053	803,120	890,053
	1,347,042	2,173,020	803,120	890,053
Add: Allowance for changes in value	825,978		86,933	
Total	2,173,020		890,053	

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 2020		
	Fair value of investments	Unpaid amount	Percentage of holding (%)
Services:			
Jiji Press (Thailand) Co., Ltd.	1,825	300	10
Trading import and export:			
Juki (Thailand) Co., Ltd.	6,025	-	10
PDTL Trading Co., Ltd.	3,637	-	10
Wattana Inter-Trade Co., Ltd.	19,158	-	10
Real estate:			
UMI Property Co., Ltd.	4,031	-	10
Industrial:			
Siam Art Ceramic Co., Ltd.	11,268	-	10

4.5 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					
	2020			2019		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	62,095	-	1,189,528	21,907	-	917,044
Total	62,095	-	1,189,528	21,907	-	917,044

All counterparties of these derivatives transactions are financial institutions.

4.6 Investments

4.6.1 Investment classified by type of investments

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

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020	
	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	9,713,417	9,722,476
Private sector debt securities	423,121	230,780
	10,136,538	9,953,256
Add: Surplus on changes in fair value	7,339	
Less: Allowance for expected credit loss	(190,621)	
Total	9,953,256	
Investments in debt instruments measured at amortised cost		
Investments in receivables	12,047	
Less: Allowance for expected credit loss	(12,047)	
Total	-	
Total investments	9,953,256	

(Unit: Thousand Baht)

Separate financial statements

as at 31 December 2020

	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income		
Private sector debt securities	371,662	205,965
Less: Deficits on changes in fair value	(1,536)	
Less: Allowance for expected credit loss	(164,161)	
Total investments	205,965	

As at 31 December 2019, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

Consolidated financial statements

as at 31 December 2019

	Cost	Fair value
Available-for-sale investments - fair value		
Government and state enterprise securities	7,812,418	7,815,106
Private sector debt securities	181,460	181,927
Domestic marketable equity securities	231,488	252,900
Other securities - domestic unit trusts	54,856	59,006
Other securities - foreign unit trusts	803,120	836,827
	9,083,342	9,145,766
Add: Surplus on changes in fair value	63,884	
Less: Allowance for impairment	(1,460)	
Total available-for-sale investments	9,145,766	
Held-to-maturity debt securities - cost/amortised cost		
Investments in receivables	12,437	
Less: Allowance for impairment	(12,437)	
Total held-to-maturity debt securities	-	
General investments - cost		
Domestic non-marketable equity securities	257,578	
Less: Allowance for impairment	(40,312)	
Total general investments	217,266	
Investments - net	9,363,032	

(Unit: Thousand Baht)

	Separate financial statements	
	as at 31 December 2019	
	Cost	Fair value
Available-for-sale investments - fair value		
Other securities - foreign unit trusts	803,120	836,827
Add: Surplus on changes in fair value	33,707	
Investments - net	836,827	

4.6.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investment	Consolidated financial statements		Type of restrictions
	as at 31 December		
	2020	2019	
Government debt securities	2	2	Pledged for electricity usage
Government debt securities	-	2,912	Pledge for the use of credit balance on clearing position

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

As at 31 December 2020 and 2019, 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 2020		
	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	423,121	230,780	190,621

(Unit: Thousand Baht)

	Consolidated financial statements		
	as at 31 December 2019		
	Cost	Fair value	Allowance for impairment
Companies having problems with debt repayment or in default	1,460	-	1,460

(Unit: Thousand Baht)

Separate financial statements

as at 31 December 2020

	Allowance for		
	Cost	Fair value	expected credit loss
Companies having problems with debt repayment or in default	371,662	205,965	164,161

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

(Unit: Thousand Baht)

Consolidated financial statements

as at 31 December 2019

Securities' name	Cost	Unpaid amounts	Percentage
			of holding (%)
Services:			
Jiji Press (Thailand) Co., Ltd.	814	300	10
Trading import and export:			
Juki (Thailand) Co., Ltd.	5,707	-	10
PDTL Trading Co., Ltd.	3,637	-	10
Wattana Inter-Trade Co., Ltd.	5,382	-	10
Real estate:			
UMI Property Co., Ltd.	4,097	-	10
Industrial:			
Siam Art Ceramic Co., Ltd.	11,299	-	10

4.7 Investments in subsidiaries and joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Investments in subsidiaries	-	-	19,995,898	19,995,890
Investment in joint venture	804,925	813,602	73,245	73,245
	804,925	813,602	20,069,143	20,069,135

4.7.1 Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Type of investments	Separate financial statements					
		Percentage of holding as at 31 December		Investment value - cost method as at 31 December		Dividend received for the years ended 31 December	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
Subsidiaries directly held by the Company							
TISCO Bank Public Company Limited	Ordinary shares	99.99	99.99	17,641,209	17,641,201	2,865,718	4,100,464
TISCO Securities Co., Ltd.	Ordinary shares	99.99	99.99	1,075,065	1,075,065	340,000	75,000
TISCO Asset Management Co., Ltd.	Ordinary shares	99.99	99.99	110,075	110,075	629,996	699,996
Hi-Way Co., Ltd.	Preference shares	99.99	99.99	2,866	2,866	841	1,138
	Ordinary shares	99.99	99.99	770,053	770,053	415,659	548,862
TISCO Information Technology Co., Ltd.	Ordinary shares	99.99	99.99	22,117	22,117	159,995	49,999
TISCO Insurance Solution Co., Ltd.	Ordinary shares	99.99	99.99	136,655	136,655	374,987	384,986
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	34,498	17,499
All-Ways Co., Ltd.	Ordinary shares	99.99	99.99	200,000	200,000	-	-
				<u>20,104,561</u>	<u>20,104,553</u>	<u>4,821,694</u>	<u>5,877,944</u>
Less: Allowance for impairment				<u>(108,663)</u>	<u>(108,663)</u>		
Investments in subsidiaries - net				<u>19,995,898</u>	<u>19,995,890</u>		

4.7.2 Investment in joint venture

a) Details of investment in joint venture

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

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage as at 31 December		Cost as at 31 December		Carrying amounts based on equity method as at 31 December	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245	804,925	813,602

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Separate financial statements			
		Shareholding percentage as at 31 December		Cost as at 31 December	
		2020	2019	2020	2019
		(%)	(%)		
TISCO Tokyo Leasing Co., Ltd.	Leasing	49.00	49.00	73,245	73,245

b) Share of comprehensive income and dividend received

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

Jointly controlled entity	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements	
	Share of profit/loss from investment in joint venture for the years ended 31 December		Share of other comprehensive income from investment in joint venture for the years ended 31 December		Dividend received for the years ended 31 December	
	2020	2019	2020	2019	2020	2019
	TISCO Tokyo Leasing Co., Ltd.	(1,717)	12,108	(6,960)	1,342	-

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	
	2020	2019
Total assets	6,183,881	8,036,176
Total liabilities	(4,169,846)	(6,014,475)
Non-controlling interests of the subsidiary	(371,331)	(361,289)
Net assets	1,642,704	1,660,412
The Company's shareholding proportion	49%	49%
Carrying value of joint venture based on equity method	804,925	813,602

Summarised information on comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2020	2019
Total revenues	313,528	343,168
Total expenses	(300,074) ⁽¹⁾	(315,274)
Profit before income tax	13,454	27,894
Tax benefit	12,782	18,728
Non-controlling interests of the subsidiary	(29,739)	(21,911)
Profit (loss) for the year	(3,503)	24,711
Other comprehensive income (loss)	(14,205)	2,741
Total comprehensive income (loss)	(17,708)	27,452

(1) Including expected credit loss of Baht 125 million additionally set up by the Company

d) Commitments and contingent liabilities of joint venture

(Unit: Thousand Baht)

	As at 31 December	
	2020	2019
Cross currency and interest rate swap agreements	1,150,000	20,000

4.8 Loans to customers and accrued interest receivables

4.8.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2020	2019
Loans to customers		
Overdrafts	31,721	107,811
Loans	96,713,852	103,448,283
Hire purchase receivables	147,601,631	160,003,772
Finance lease receivables	8,544	17,904
Less: Deferred revenue	(19,544,201)	(20,743,017)
Advances received from finance lease receivables	-	(8,613)
Total loans to customers	224,811,547	242,826,140
Add: Accrued interest receivables and undue interest receivables	1,901,983	1,240,929
Total loans to customers and accrued interest receivables	226,713,530	244,067,069
Less: Allowance for expected credit loss	(11,825,544)	-
Allowance for doubtful accounts	-	(10,709,365)
Allowance for loss on debt restructuring	-	(7,343)
Loans to customers and accrued interest receivables - net	214,887,986	233,350,361

(Unit: Thousand Baht)

	Separate financial statements as at 31 December	
	2020	2019
Loans to customers		
Loans	3,180,000	2,210,000
Less: Allowance for expected credit loss	(4,134)	-
Loans to customers and accrued interest receivables - net	3,175,866	2,210,000

4.8.2 Classified by residency of debtors

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Loans to customers net of deferred revenue				
- Domestic	216,056,459	234,690,878	3,180,000	2,210,000
- Foreign	8,755,088	8,135,262	-	-
Total	224,811,547	242,826,140	3,180,000	2,210,000

4.8.3 Classified by loan classification

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Loans to customers and accrued interest receivables				
Loans of the subsidiary				
operating a banking business	224,740,153	239,272,451	-	-
Loans of other subsidiaries	5,753,377	4,794,618	-	-
Loans of the Company	3,180,000	2,210,000	3,180,000	2,210,000
Less: Elimination	(6,960,000)	(2,210,000)	-	-
Total	226,713,530	244,067,069	3,180,000	2,210,000

4.8.3.1 Classified by loan classification of the subsidiary operating a banking business

(Unit: Thousand Baht)

	As at 31 December 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	190,435,185	5,172,224
Financial assets with significant increases in credit risk (Under-performing)	29,139,124	3,422,247
Financial assets that are credit-impaired (Non-performing)	5,165,844	1,287,313
Allowance established in excess	-	1,056,399
Total	224,740,153	10,938,183

(Unit: Thousand Baht)

	As at 31 December 2019		
	Loans to customers and accrued interest receivables	Net amount used for setting up allowance for doubtful accounts	Allowance for doubtful accounts ⁽¹⁾ ⁽²⁾
Provision under BOT's guidelines			
- Pass	217,488,690	175,206,431	2,438,575
- Special mention	16,491,289	15,191,241	2,352,268
- Sub-standard	2,927,707	2,389,220	1,037,284
- Doubtful	1,409,323	1,178,170	480,613
- Doubtful of loss	955,442	320,408	202,811
Allowance established in excess	-	-	3,562,564
Total	239,272,451	194,285,470	10,074,115

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

(2) As at 31 December 2019, the provisions set aside by TISCO Bank exceeded the BOT's notification No. Sor Nor Sor. 5/2559 minimum requirement by a total of Baht 5,714 million. TISCO Bank allocated Baht 2,151 million of the excess provision to specific provision for individual debtors and so combined with the minimum provision requirement of Baht 4,360 million, the total provision set aside in accordance with the BOT's requirement is Baht 6,511 million.

	As at 31 December 2019		
	Percentage of allowance for doubtful accounts set up (%)		
	Hire purchase receivables ⁽³⁾	Loan against auto license receivables ⁽³⁾	Other loans ⁽⁴⁾
Pass	0.72	1.87	1
Special mention	7.64	17.25	2
Sub-standard	26.35	39.13	100
Doubtful	31.89	39.13	100
Doubtful of loss	26.21	39.13	100

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

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

4.8.3.2 Classified by loan classification of other subsidiaries

(Unit: Thousand Baht)

As at 31 December 2020

	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,921,251	238,400
Financial assets with significant increases in credit risk (Under-performing)	1,057,160	266,852
Financial assets that are credit-impaired (Non-performing)	774,966	400,513
Total	5,753,377	905,765

(Unit: Thousand Baht)

As at 31 December 2019

	Loans to customers and accrued interest receivables	Allowance for doubtful accounts
Pass	3,606,613	205,731
Special mention	645,315	116,842
Sub-standard	249,212	145,089
Doubtful	209,091	119,257
Doubtful of loss	84,387	48,331
Total	4,794,618	635,250

4.8.3.3 Classified by loan classification of the Company

(Unit: Thousand Baht)

As at 31 December 2020

	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	3,180,000	4,134
Financial assets with significant increases in credit risk (Under-performing)	-	-
Financial assets that are credit-impaired (Non-performing)	-	-
Total	3,180,000	4,134

(Unit: Thousand Baht)

	As at 31 December 2019	
	Loans to customers and accrued interest receivables	Allowance for doubtful accounts
Pass	2,210,000	-
Special mention	-	-
Sub-standard	-	-
Doubtful	-	-
Doubtful of loss	-	-
Total	2,210,000	-

In addition, during the year 2020, the Group 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 December 2020, the Group's outstanding loan balances under the relief measures totalled Baht 8,827 million, decreased when compared with the initial implementation of debt relief measures as at 30 June 2020 which totalled Baht 54,889 million, because the assistance period as agreed with certain debtors has expired for debtors under principal holiday scheme and debtors under debt moratorium scheme. The balance as at 31 December 2020 consists of the debtors under principal holiday scheme of Baht 4,311 million, the debtors under debt moratorium scheme of Baht 112 million and the debtors receiving other forms of debt relief, e.g. installment reduction, interest rate reduction, of Baht 4,404 million.

4.8.4 Classified by type of debtors

As at 31 December 2020, 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 2020							
	Hire purchase		Loan against auto license				Total	
	receivables		receivables		Other loans			
	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 increases 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
Total	124,520	4,470	29,056	1,994	71,164	3,418	224,740	9,882
Allowance established in excess								1,056
Total								10,938

As at 31 December 2019, loans to customers of the subsidiary company operating a banking business classified by loan classification in accordance with the BOT's guidelines are as follows:

(Unit: Million Baht)

	As at 31 December 2019							
	Hire purchase		Loan against auto license				Total	
	receivables		license receivables		Other loans			
	Debt balance	Allowance for doubtful accounts ⁽⁵⁾	Debt balance	Allowance for doubtful accounts ⁽⁵⁾	Debt balance	Allowance for doubtful accounts ⁽⁵⁾	Debt balance	Allowance for doubtful accounts ⁽⁵⁾
Pass	120,479	867	26,640	497	69,533	1,074	216,652	2,438
Special mention	11,569	883	2,965	511	1,688	958	16,222	2,352
Sub-standard	1,817	479	391	153	719	405	2,927	1,037
Doubtful	860	274	200	78	349	129	1,409	481
Doubtful of loss	121	32	79	31	755	140	955	203
Total	134,846	2,535	30,275	1,270	73,044	2,706	238,165	6,511
Accrued interest receivables							1,107	-
Allowance established in excess							-	3,563
Total							239,272	10,074

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

4.8.5 Hire purchase and finance lease receivables

As at 31 December 2020, receivables of the subsidiaries under hire purchase and finance lease agreements amount to Baht 129,399 million (31 December 2019: Baht 140,217 million) and mostly comprise hire purchase agreements for cars and finance lease agreements for machines and equipment for business operation. 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 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	44,381	88,243	7,394	7,592	147,610
Less: Deferred revenue ⁽⁶⁾	(6,111)	(8,433)	(326)	(4,313)	(19,183)
Present value of minimum lease payment from agreements	38,270	79,810	7,068	3,279	128,427
Accrued interest receivables	781	-	-	191	972
Total	39,051	79,810	7,068	3,470	129,399
Allowance for expected credit loss					(5,283)
Net hire purchase and finance lease receivables					124,116

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

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019					
Amounts of installments due under the long-term lease agreements					
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Non- performing loans	Total
Gross investment in the agreements	48,905	96,165	7,412	7,540	160,022
Less: Deferred revenue ⁽⁶⁾	(6,776)	(9,250)	(325)	(4,203)	(20,554)
Advances received from finance lease receivables	(9)	-	-	-	(9)
Present value of minimum lease payment from agreements	42,120	86,915	7,087	3,337	139,459
Accrued interest receivables	757	-	-	1	758
Total	42,877	86,915	7,087	3,338	140,217
Allowance for doubtful accounts ⁽⁵⁾					(3,167)
Net hire purchase and finance lease receivables					137,050

(5) This allowance for doubtful accounts includes the allowance for doubtful accounts from assigning provision in excess of BOT's minimum requirement to specific provision for individual debtors.

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

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

As at 31 December 2019, loans to customers of the subsidiaries for which the recognition of interest income has been ceased under the BOT's guidelines and the Group's policy are as follows:

(Unit: Million Baht)

	As at 31 December 2019	
	Amounts calculated under BOT's guidelines ⁽⁷⁾	Amounts calculated under the Group's policy
TISCO Bank ⁽⁷⁾	6,816	7,588
Other subsidiaries		605

⁽⁷⁾ These amounts are calculated on an account by account basis.

⁽⁸⁾ Accrual of interest ceases when interest payments have been defaulted on for more than three months, counting from the due date.

However, in order to align with the financial reporting standards which became effective on 1 January 2020, the subsidiaries revised their accounting policy by cancelling the policy to cease the recognition of interest income. Therefore, as at 31 December 2020 the subsidiaries do not have loans to customers for which the recognition of interest income has been ceased.

4.8.7 Troubled debt restructuring of the subsidiary operating a banking business

As at 31 December 2020 and 2019, the subsidiary operating a banking business has outstanding balances with troubled debt restructuring debtors as follows:

	As at 31 December			
	2020		2019	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balance of restructured debts	8,856	2,762	10,615	2,109

4.9 Allowance for expected credit loss/allowance for doubtful accounts/allowance for loss on debt restructuring

4.9.1 Allowance for expected credit loss

As at 31 December 2020, the Group has allowance for expected credit loss classified by type of financial assets as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	For the year ended 31 December 2020					
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts/ allowance for impairment	Allowance established in excess	
Interbank and money market items (assets)						
Balance - beginning of year	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	1,081	-	-	-	-	1,081
Balance - end of year	<u>1,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,081</u>
Investments in debt instruments measured at fair value through other comprehensive income						
Balance - beginning of year	-	-	-	1,460	-	1,460
Changes due to the adoption of new financial reporting standards	-	-	1,460	(1,460)	-	-
	-	-	1,460	-	-	1,460
Changes from revaluation of allowance for credit loss	-	-	25,000	-	-	25,000
New financial assets	-	-	164,161	-	-	164,161
Balance - end of year	<u>-</u>	<u>-</u>	<u>190,621</u>	<u>-</u>	<u>-</u>	<u>190,621</u>
Investments in debt instruments measured at amortised cost						
Balance - beginning of year	-	-	-	12,437	-	12,437
Changes due to the adoption of new financial reporting standards	-	-	12,437	(12,437)	-	-
	-	-	12,437	-	-	12,437
Changes from revaluation of allowance for credit loss	-	-	(390)	-	-	(390)
Balance - end of year	<u>-</u>	<u>-</u>	<u>12,047</u>	<u>-</u>	<u>-</u>	<u>12,047</u>

(Unit: Thousand Baht)

Consolidated financial statements						
For the year ended 31 December 2020						
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts/ allowance for impairment	Allowance established in excess	Total
Loans to customers and accrued interest receivables						
Balance - beginning of year	-	-	-	7,146,393	3,562,972	10,709,365
Changes due to the adoption of new financial reporting standards						
- Allocation of allowance for doubtful accounts	3,870,485	3,103,592	1,622,490	(7,146,393)	(1,450,174)	-
- Transfer allowance for loss on debt restructuring to allowance for expected credit loss	-	7,343	-	-	-	7,343
	<u>3,870,485</u>	<u>3,110,935</u>	<u>1,622,490</u>	<u>-</u>	<u>2,112,798</u>	<u>10,716,708</u>
Changes from transfers among stages	(53,384)	(155,044)	208,428	-	-	-
Changes from revaluation of allowance for credit loss	534,165	312,477	3,449,261	-	(1,056,399)	3,239,504
New financial assets	1,545,829	807,711	278,713	-	-	2,632,253
Derecognition	(504,875)	(386,980)	(126,826)	-	-	(1,018,681)
Write-off	-	-	(3,744,240)	-	-	(3,744,240)
Balance - end of year	<u>5,392,220</u>	<u>3,689,099</u>	<u>1,687,826</u>	<u>-</u>	<u>1,056,399</u>	<u>11,825,544</u>
Other assets - accrued interest receivables on investments						
Balance - beginning of year	-	-	-	-	-	-
Changes from revaluation of allowance for credit loss	-	-	525	-	-	525
New financial assets	-	-	4,111	-	-	4,111
Balance - end of year	<u>-</u>	<u>-</u>	<u>4,636</u>	<u>-</u>	<u>-</u>	<u>4,636</u>

The amount of allowance for expected credit loss (ECL) as at 1 January 2020 as determined in accordance with TFRS 9: Financial Instruments 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 will be 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 December 2020 the balance of allowance established in excess remained at Baht 1,056 million.

(Unit: Thousand Baht)

	Separate financial statements				
	For the year ended 31 December 2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
Interbank and money market items (assets)					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	9	-	-	-	9
Balance - end of year	9	-	-	-	9
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of year	-	-	-	-	-
New financial assets	-	-	164,161	-	164,161
Balance - end of year	-	-	164,161	-	164,161
Loans to customers and accrued interest receivables					
Balance - beginning of year	-	-	-	-	-
Changes from revaluation of allowance for credit loss	4,134	-	-	-	4,134
Balance - end of year	4,134	-	-	-	4,134
Other assets - accrued interest receivables of investments					
Balance - beginning of year	-	-	-	-	-
New financial assets	-	-	4,111	-	4,111
Balance - end of year	-	-	4,111	-	4,111

4.9.2 Allowance for doubtful accounts

As at 31 December 2019, the Group has allowance for doubtful accounts on loans to customers and accrued interest receivables classified by loan classification as follows:

(Unit: Thousand Baht)

	Consolidated financial statements						
	For the year ended 31 December 2019						
	Pass	Special mention	Sub- Standard	Doubtful	Doubtful of loss	Allowance established in excess	Total
Balance - beginning of year	2,656,402	3,283,511	1,376,962	670,853	612,847	3,064,917	11,665,492
Increase (decrease) in allowance for doubtful accounts during the year	(11,252)	(788,633)	(96,469)	1,572,636	1,798,267	498,055	2,972,604
Bad debts written-off	(845)	(25,767)	(98,121)	(1,643,671)	(2,160,327)	-	(3,928,731)
Balance - end of year	2,644,305	2,469,111	1,182,372	599,818	250,787	3,562,972	10,709,365

4.9.3 Allowance for loss on debt restructuring of the subsidiary operating a banking business

(Unit: Thousand Baht)

	For the years ended 31 December	
	2020	2019
Balance - beginning of year	7,343	8,146
Changes due to the adoption of new financial reporting standards	(7,343)	-
Amortisation during the year	-	(803)
Balance - end of year	-	7,343

4.10 Classification of assets

4.10.1 Classification of assets under the BOT's guidelines

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

(Unit: Million Baht)

	Consolidated financial statements as at 31 December 2020				
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost ¹	Loans to customers and accrued interest receivables	Total
Financial assets with no significant increase in credit risk (Performing)	38,213	9,722	-	190,577	238,512
Financial assets with significant increases in credit risk (Under-performing)	-	-	-	30,196	30,196
Financial assets that are credit-impaired (Non-performing)	-	231	12	5,941	6,184
Total	38,213	9,953	12	226,714	274,892

(Unit: Million Baht)

Separate financial statements as at 31 December 2020					
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)	17	-	-	3,180	3,197
Financial assets with significant increases in credit risk (Under-performing)	-	-	-	-	-
Financial assets that are credit-impaired (Non-performing)	-	206	-	-	206
Total	17	206	-	3,180	3,403

As at 31 December 2019, the quality of assets of the subsidiary operating a banking business classified in accordance with the BOT's guidelines is as follows:

(Unit: Million Baht)

As at 31 December 2019				
	Loans to customers ⁽¹⁾	Investments in securities		Total
		General investments	Investments in receivables	
Pass	258,452	-	-	258,452
Special mention	16,222	-	-	16,222
Sub-standard	2,927	-	-	2,927
Doubtful	1,409	-	-	1,409
Doubtful of loss	955	42	12	1,009
Total	279,965	42	12	280,019

(1) Loans to customers include loans to financial institutions (which are presented as part of interbank and money market items - net (asset) in the statement of financial position).

4.10.2 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/allowance for doubtful accounts provided in the accounts ⁽²⁾ as at 31 December	
	2020	2019	2020	2019	2020	2019	2020	2019
			(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Listed companies vulnerable to delisting from the SET and under rehabilitation	-	1	-	513	-	467	-	513 ⁽³⁾
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	-	500	-	315	-	500	-
3. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	8	8	890	864	430	236	108	10
Total	9	9	1,390	1,377	745	703	608	523

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

(3) This allowance for doubtful accounts includes the allowance for loss on debt restructuring.

4.11 Properties foreclosed

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at 31 December	
	2020	2019
Acquisition of assets from debt repayment		
Immovable assets		
<u>Appraisal by an internal appraiser</u>		
Balance - beginning of year	-	11,713
Disposals	-	(11,713)
Balance - end of year	-	-
Movable assets		
Balance - beginning of year	18,706	11,015
Additions	3,398,624	3,052,506
Disposals	(3,386,787)	(3,044,815)
Balance - end of year	30,543	18,706
Total properties foreclosed	30,543	18,706
Less: Allowance for impairment		
Balance - beginning of year	277	11,871
Increase	1,257	553
Decrease	(662)	(12,147)
Balance - end of year	872	277
Total properties foreclosed - net	29,671	18,429

4.12 Investment properties

The book value of investment properties as at 31 December 2020 and 2019 is as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Book value - beginning of year	30,304	39,388	955,266	831,043
Transfer type of asset	-	(8,062)	(44,538)	124,223
Loss from fair value adjustment	(2,970)	(1,022)	-	-
Book value - end of year	27,334	30,304	910,728	955,266

The investment property of the Group is an office condominium for rent and is stated at its 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 at 31 December 2020	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 at 31 December 2020	Result to fair value where as an increase in assumption value
Estimated office condominium price rate (Baht/Sq.m.)	82,960 and 103,700	Increase in fair value

The Group has rented part of its office condominium under operating leases with a lease term of 3 years (the Company only: 3 years), and has future minimum rental fee as at 31 December 2020 as follows:

	Consolidated financial statements	Separate financial statements
Within 1 year	356	74,433
Over 1 and up to 3 years	-	148,867
Total	356	223,300

During the years ended 31 December 2020 and 2019, the Group has rental income of Baht 4 million (the Company only: Baht 77 million and Baht 82 million, respectively).

4.13 Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Revaluation basis	Cost basis				
	Office condominium and building improvements	Land	Buildings and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	
Cost:						
As at 1 January 2019	2,477,100	17,509	746,835	1,183,596	164,312	4,589,352
Additions/transfers-in	11,679	-	82,629	102,871	20,518	217,697
Disposals/write-offs						
/transfers-out	-	-	(29,000)	(71,472)	(10,747)	(111,219)
As at 31 December 2019	2,488,779	17,509	800,464	1,214,995	174,083	4,695,830
Additions/transfers-in	1,894	-	71,033	82,008	13,968	168,903
Disposals/write-offs						
/transfers-out	(280)	-	(70,771)	(122,057)	(18,658)	(211,766)
As at 31 December 2020	2,490,393	17,509	800,726	1,174,946	169,393	4,652,967
Accumulated depreciation:						
As at 1 January 2019	-	-	585,832	927,671	83,620	1,597,123
Depreciation for the year	32,704	-	61,317	97,468	25,418	216,907
Depreciation on disposals/						
write-offs/transfers-out	-	-	(23,459)	(68,192)	(10,701)	(102,352)
As at 31 December 2019	32,704	-	623,690	956,947	98,337	1,711,678
Depreciation for the year	32,332	-	68,697	98,044	24,637	223,710
Depreciation on disposals/						
write-offs/ transfers-out	(5)	-	(68,993)	(119,225)	(15,937)	(204,160)
As at 31 December 2020	65,031	-	623,394	935,766	107,037	1,731,228
Net book value:						
As at 31 December 2019	2,456,075	17,509	176,774	258,048	75,746	2,984,152
As at 31 December 2020	2,425,362	17,509	177,332	239,180	62,356	2,921,739
Depreciation for the years ended 31 December:						
2019						216,907
2020						223,710

(Unit: Thousand Baht)

	Separate financial statements			
	Revaluation basis	Cost basis		
	Office condominium and building improvements	Furniture, fixtures, computers and equipment	Motor vehicles	Total
Cost:				
As at 1 January 2019	757,557	446,167	82,944	1,286,668
Additions/transfers-in	755	45,695	8,481	54,931
Disposals/write-offs/transfers-out	(128,590)	(30,471)	(3,702)	(162,763)
As at 31 December 2019	629,722	461,391	87,723	1,178,836
Additions/transfers-in	46,319	63,251	-	109,570
Disposals/write-offs/transfers-out	(264)	(10,350)	(6,567)	(17,181)
As at 31 December 2020	675,777	514,292	81,156	1,271,225
Accumulated depreciation:				
As at 1 January 2019	-	297,589	31,365	328,954
Depreciation for the year	10,883	56,260	14,106	81,249
Depreciation on disposals/ write-offs/transfers-out	(74)	(27,970)	(3,702)	(31,746)
As at 31 December 2019	10,809	325,879	41,769	378,457
Depreciation for the year	11,285	55,485	13,627	80,397
Depreciation on disposals/ write-offs/transfers-out	-	(10,120)	(4,474)	(14,594)
As at 31 December 2020	22,094	371,244	50,922	444,260
Net book value:				
As at 31 December 2019	618,913	135,512	45,954	800,379
As at 31 December 2020	653,683	143,048	30,234	826,965
Depreciation for the years ended 31 December				
2019				81,249
2020				80,397

As at 31 December 2020 and 2019, 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 1,203 million and Baht 1,210 million, respectively (the Company only: Baht 274 million and Baht 173 million, respectively).

The Group arranged for an independent professional appraiser to appraise the value of the office condominium in 2018, using the market approach.

Had the office condominiums been carried in the financial statements based on cost model, their net book value as at 31 December 2020 and 2019 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements as at 31 December		Separate financial statements as at 31 December	
	2020	2019	2020	2019
Office condominiums - net of accumulated depreciation	965,504	993,894	242,568	253,059

As of the appraisal date, key assumptions that are unobservable inputs used in the valuation are summarised below.

	Consolidated financial statements	Result to fair value where as an increase in assumption value
	Estimated office condominium price rate (Baht/Sq.m.)	82,960 - 181,475
	Separate financial statements	Result to fair value where as an increase in assumption value
	Estimated office condominium price rate (Baht/Sq.m.)	88,145 - 103,700

4.14 Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Cost:		
Beginning balance as at 1 January 2020	-	-
Changes due to the adoption of new financial reporting standards	1,061,585	1,158
Beginning balance as at 1 January 2020 - after adjustment	1,061,585	1,158
Additions	158,039	-
Contract amendment	(2,526)	-
Contract termination	(70,034)	-
31 December 2020	1,147,064	1,158
Accumulated depreciation:		
1 January 2020	-	-
Depreciation for the year	288,287	279
Accumulated depreciation on terminated contracts	(26,709)	-
31 December 2020	261,578	279
Net book value:		
31 December 2020	885,486	879

4.15 Intangible assets

The book value of intangible assets - computer software as at 31 December 2020 and 2019 is presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Cost	1,630,360	1,600,388	590,697	572,577
Less: Accumulated amortisation	(1,416,092)	(1,270,928)	(491,870)	(448,368)
Net book value	214,268	329,460	98,827	124,209

A reconciliation of the net book value of intangible assets for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Net book value at beginning of year	329,460	448,222	124,209	159,531
Acquisitions of computer software	30,943	46,891	18,120	27,518
Transfers-in of computer software	-	520	-	520
Write-offs/disposals of computer software	(955)	(1,119)	-	(22)
Amortisation	(145,180)	(165,054)	(43,502)	(63,338)
Net book value at end of year	214,268	329,460	98,827	124,209

As at 31 December 2020 and 2019, 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 882 million and Baht 846 million, respectively (the Company only: Baht 367 million and Baht 336 million, respectively).

4.16 Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Receivables from clearing house	291,896	605	-	-
Value added tax - net	367,830	398,298	1,652	3,796
Accrued interest receivables	17,765	11,333	-	-
Fee and service receivables	468,956	653,250	126,439	119,933
Refundable income tax and prepaid income tax	8,751	23,769	-	-
Deposits	84,200	86,299	95	2,095
Other receivables	587,995	725,684	-	365
Other assets	399,180	440,937	60,633	70,523
Total other assets	2,226,573	2,340,175	188,819	196,712

4.17 Deposits

4.17.1 Classified by type of deposits

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2020	2019
Deposits		
Current accounts	3,199,911	2,638,324
Savings accounts	50,319,591	37,801,616
Fixed accounts		
- not over 6 months	12,761,123	19,248,789
- over 6 months but not over 1 year	27,901,720	33,399,669
- over 1 year	3,219,474	3,912,418
Certificates of deposit/negotiable certificates of deposit	106,071,006	119,083,735
Total	203,472,825	216,084,551

4.17.2 As at 31 December 2020 and 2019, all outstanding deposits are deposits from domestic depositors and are in Baht.

4.18 Interbank and money market items (liabilities)

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December					
	2020			2019		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Bank of Thailand	-	1,164,700	1,164,700	-	-	-
Commercial banks	128,832	920,000	1,048,832	56,084	990,000	1,046,084
Specialised Financial Institutions	-	2,353,466	2,353,466	-	2,535,990	2,535,990
Other financial institutions	357,808	882,840	1,240,648	229,591	844,468	1,074,059
Total	486,640	5,321,006	5,807,646	285,675	4,370,458	4,656,133

(Unit: Thousand Baht)

	Separate financial statements as at 31 December					
	2020			2019		
	At call	Term	Total	At call	Term	Total
<u>Domestic</u>						
Commercial banks	3,780,000	-	3,780,000	-	-	-
Total	3,780,000	-	3,780,000	-	-	-

As at 31 December 2020, interbank and money market items in the separate financial statements is a borrowing from a subsidiary amounting to Baht 3,780 million which matures at call and bears interest at a fixed rate per annum. Interest payment on which is made on a monthly basis.

4.19 Debts issued and borrowings

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
<u>Domestic borrowings</u>				
Subordinated unsecured debentures	6,620,000	6,680,000	-	-
Unsubordinated unsecured debentures	6,169,000	18,300,000	1,629,000	6,300,000
Bills of exchange	36,122	36,122	-	-
Promissory notes	797	797	-	-
Total	12,825,919	25,016,919	1,629,000	6,300,000

4.19.1 Subordinated unsecured debentures

As at 31 December 2020 and 2019, 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			
	2020 (Million units)	2019 (Million units)		2020 (Million Baht)	2019 (Million Baht)		
2015	-	1.00	1,000	-	1,000	2025	4.50 percent per annum
2015	-	1.00	1,000	-	1,000	2025	4.25 percent per annum
2016	0.68	0.68	1,000	680	680	2026	3.875 percent per annum
2017	1.00	1.00	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	-	1,000	1,250	-	2030	3.50 percent per annum
2020	0.69	-	1,000	690	-	2030	3.15 percent per annum
Total				<u>6,620</u>	<u>6,680</u>		

4.19.2 Unsubordinated unsecured debentures

As at 31 December 2020 and 2019, the Group has short-term and long-term unsubordinated unsecured debentures as follows:

Consolidated financial statements								
Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2020 (Million units)	2019 (Million units)		2020 (Million Baht)	2019 (Million Baht)		
2018	Long-term debenture	-	12.00	1,000	-	12,000	2020	1.65 - 2.05 percent per annum
2019	Short-term debenture	-	6.30	1,000	-	6,300	2020	1.50 - 1.85 percent per annum
2020	Short-term debenture	1.629	-	1,000	1,629	-	2021	0.55 - 1.05 percent per annum
2020	Short-term debenture	2.32	-	1,000	2,320	-	2021	1.30 percent per annum
2020	Long-term debenture	2.22	-	1,000	2,220	-	2022	1.40 percent per annum
Total					<u>6,169</u>	<u>18,300</u>		

Separate financial statements								
Issued year	Type of debentures	Units		Face value (Baht per unit)	Balance		Maturity in the year	Interest rate
		as at 31 December			as at 31 December			
		2020 (Million units)	2019 (Million units)		2020 (Million Baht)	2019 (Million Baht)		
2019	Short-term debenture	-	6.30	1,000	-	6,300	2020	1.50 - 1.85 percent per annum
2020	Short-term debenture	1.629	-	1,000	1,629	-	2021	0.55 - 1.05 percent per annum
Total					<u>1,629</u>	<u>6,300</u>		

4.19.3 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.

4.20 Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Beginning balance as at 1 January 2020				
from the adoption of new financial reporting standards	1,060,908	-	1,215	-
Increase during the year	171,171	-	-	-
Contract amendment	(4,353)	-	-	-
Paid during the year	(291,784)	-	(293)	-
Terminated during the year	(47,394)	-	-	-
Balance as at 31 December 2020	888,548	-	922	-
Less: Deferred interest expenses	(59,958)	-	(33)	-
Lease liabilities - net	828,590	-	889	-

The maturity analysis of lease liabilities of the Group is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020			
	Amount due for payment under the contract			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Undiscounted lease payments	199,565	604,763	84,220	888,548
Deferred interest expenses	(19,600)	(31,200)	(9,158)	(59,958)
Lease liabilities	179,965	573,563	75,062	828,590

(Unit: Thousand Baht)

	Separate financial statements as at 31 December 2020			
	Amount due for payment under the contract			
	Less than 1 year	1 - 5 years	Over 5 years	Total
Undiscounted lease payments	292	630	-	922
Deferred interest expenses	(17)	(16)	-	(33)
Lease liabilities	275	614	-	889

The Group had total cash outflows on leases during the year ended 31 December 2020 of Baht 303 million (the Company only: Baht 3 million).

Expenses relating to leases that are recognised in profit or loss for the year ended 31 December 2020 are as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	288	-
Interest expense on lease liabilities	24	-
Expense relating to variable lease payments	18	3
Total	330	3

4.21 Provision

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Allowance for expected credit loss on loan commitments	14,716	-	-	-
Provision for long-term employee benefits	1,676,338	1,485,868	291,741	265,897
Total provisions	1,691,054	1,485,868	291,741	265,897

4.21.1 Allowance for expected credit loss on loan commitments

As at 31 December 2020, allowance for expected credit loss on loan commitments by classification is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	as at 31 December 2020	
	Loan commitments	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	1,338,700	14,716
Financial assets with significant increases in credit risk (Under-performing)	-	-
Financial assets that are credit-impaired (Non-performing)	-	-
Total	1,338,700	14,716

Changes in allowance for expected credit loss on loan commitments is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020			Total
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	
Balance - beginning of year	-	-	-	-
Changes from revaluation of allowance for credit loss	14,716	-	-	14,716
Balance - end of year	14,716	-	-	14,716

4.21.2 Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement and other long-term benefits, as at 31 December 2020 and 2019 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December	
	2020	2019
Defined post-employment benefit obligation at beginning of year	1,234,614	659,719
Current service cost	96,685	72,855
Interest cost	19,502	24,672
Past service cost	-	213,412
Benefits paid during the year	(35,104)	(24,619)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	22,155	169,837
Financial assumptions changes	28,635	161,618
Other assumptions changes	(10,517)	(42,880)
Defined post-employment benefit obligation at end of year	1,355,970	1,234,614
Other long-term benefits	320,368	251,254
Total provision for long-term employee benefits at end of year	1,676,338	1,485,868

(Unit: Thousand Baht)

	Separate financial statements	
	as at 31 December	
	2020	2019
Defined post-employment benefit obligation at beginning of year	241,239	155,960
Current service cost	14,175	12,189
Interest cost	3,200	4,844
Past service cost	-	49,486
Benefits paid during the year	(9,139)	(1,867)
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	2,590	29,652
Financial assumptions changes	7,717	35,796
Other assumptions changes	3,541	(44,821)
Defined post-employment benefit obligation at end of year	263,323	241,239
Other long-term benefits	28,418	24,658
Total provision for long-term employee benefits at end of year	291,741	265,897

Long-term employee benefit expenses included in the profit or loss for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Current service cost	129,086	93,966	16,632	14,148
Interest cost	23,081	28,688	3,524	5,293
Past service cost	-	213,412	-	49,486
Actuarial loss	52,530	70,833	4,208	3,251
Total employee benefit expenses	204,697	406,899	24,364	72,178

As at 31 December 2020 and 2019, the Group expects to pay long-term employee benefits during the next year of Baht 131 million and Baht 120 million, respectively (the Company only: Baht 52 million and Baht 44 million, respectively).

As at 31 December 2020 and 2019, the weighted average duration of the liabilities for long-term employee benefits is 16 years (the Company only: 11 years and 12 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	
	2020	2019	2020	2019
Discount rate	0.46 - 2.61	1.25 - 2.25	0.46 - 2.41	1.25 - 2.19
Average salary increase rate	5.00	5.00	5.00	5.00

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 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December			
	2020		2019	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(37,366)	39,014	(34,429)	35,962
Average salary increase rate	37,673	(36,298)	34,780	(33,498)

(Unit: Thousand Baht)

	Separate financial statements as at 31 December			
	2020		2019	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(4,327)	4,479	(4,219)	4,365
Average salary increase rate	4,314	(4,192)	4,216	(4,098)

4.22 Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Payable to clearing house	309,866	338,821	-	-
Withholding income tax and other				
tax payables	593,909	528,570	94,560	88,931
Accrued insurance premium	479,958	474,845	-	-
Deferred income	1,481,571	1,642,236	-	-
Accrued expenses	3,458,156	4,259,596	1,508,858	1,360,474
Suspense creditors	1,075,205	1,014,778	-	-
Other liabilities	405,956	400,296	100	92
Total other liabilities	7,804,621	8,659,142	1,603,518	1,449,497

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 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 2020, the Group has accrued bonus under this scheme amounting to Baht 444 million (the Company only: Baht 217 million).

As at 31 December 2020, the above other liabilities include advances received from Electronic Funds Transfer transactions of the maintained operating a banking business amounting to Baht 3 million, and the subsidiary maintained an asset amounting to 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.

4.23 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, car inventory financing loans, equity exposure and other assets.

Regarding Capital funds as at 31 December 2020 and 2019, the Financial Business Group 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 BOT's regulation.

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

(Unit: Thousand Baht)

	As at 31 December	
	2020	2019
<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	21,759,372	20,512,152
Other components of equity	1,837,917	1,810,937
Less: Deductions from Common Equity Tier I items	(1,054,338)	(1,753,842)
Total Common Equity Tier I capital	32,368,815	30,395,111
<u>Financial Instrument Tier I capital</u>		
Issued and paid-up share capital - non cumulative preferred shares	99	99
Total Tier I capital	32,368,914	30,395,210
<u>Tier II capital</u>		
Long-term subordinated debentures	6,620,000	6,680,000
Surplus of provision	762,036	769,245
Reserve for loans classified as normal	726,676	717,550
Total Tier II capital	8,108,712	8,166,795
Total capital funds	40,477,626	38,562,005

(Unit: Percent)

	As at 31 December			
	2020		2019	
	Financial Business Group	Requirement	Financial Business Group	Requirement
Capital fund ratios				
Common Equity Tier I capital to risk assets	17.48	7.00	16.38	7.00
Tier I capital to risk assets	17.48	8.50	16.38	8.50
Total capital to risk assets	21.86	11.00	20.78	11.00

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

(Unit: Thousand Baht)

	As at 31 December	
	2020	2019
<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	17,713,142	17,277,459
Other components of equity	309,469	304,899
Less: Deductions from Common Equity Tier I items	(366,769)	(1,080,464)
Total Common Equity Tier I capital	30,398,542	29,244,594
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non cumulative preferred shares	1	1
Total Tier I capital	30,398,543	29,244,595
<u>Tier II Capital</u>		
Long-term subordinated debentures	6,620,000	6,680,000
Surplus of provision	741,712	749,945
Reserve for loans classified as normal	557,567	542,598
Total Tier II capital	7,919,279	7,972,543
Total capital funds	38,317,822	37,217,138

(Unit: Percent)

Capital fund ratios	As at 31 December			
	2020		2019	
	TISCO Bank	Requirement	TISCO Bank	Requirement
Common Equity Tier I capital to risk assets	18.07	7.00	17.37	7.00
Tier I capital to risk assets	18.07	8.50	17.37	8.50
Total capital to risk assets	22.78	11.00	22.10	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 2020 on its website (www.tisco.co.th) within April 2021.

4.24 Other components of equity

4.24.1 Surplus (deficit) on valuation of available-for-sale investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	(14,260)	(88,532)	52,234	(62,026)
Changes due to the adoption of new financial reporting standards	14,260	-	(52,234)	-
Balance - beginning of year after adjustment	-	(88,532)	-	(62,026)
Increase from changes in value of investments during the year	-	74,272	-	114,260
	-	(14,260)	-	52,234
Less: Effect of deferred tax liabilities	-	(17,384)	-	(10,447)
Balance - end of year	-	(31,644)	-	41,787

4.24.2 Surplus (deficit) on valuation of investments at fair value through other comprehensive income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	-	-	-	-
Changes due to the adoption of new financial reporting standards	5,286	-	-	-
Balance - beginning of year after adjustment	5,286	-	-	-
Increase (decrease) from changes in value of investments during the year	2,053	-	(1,536)	-
	7,339	-	(1,536)	-
Add: Effect of deferred tax assets	-	-	307	-
Less: Effect of deferred tax liabilities	(1,468)	-	-	-
Balance - end of year	5,871	-	(1,229)	-

4.24.3 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	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Balance - beginning of year	1,451,010	1,455,449	382,866	383,656
Transfer to retained earnings	(4,364)	(4,439)	(794)	(790)
	1,446,646	1,451,010	382,072	382,866
Less: Effect of deferred tax liabilities	(289,508)	(290,298)	(76,413)	(76,572)
Balance - end of year	1,157,138	1,160,712	305,659	306,294

4.25 Interest income

Interest income in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Interbank and money market items	251,331	575,858	2,653	6,951
Investments in debt securities	142,275	232,414	6,953	3,815
Loans to customers and overdrafts	8,002,719	8,047,674	55,764	49,892
Hire purchase and finance lease	8,360,384	9,025,261	-	-
Total interest income	16,756,709	17,881,207	65,370	60,658

Interest income for the year ended 31 December 2020 consisted of interest income on credit-impaired financial assets amounting to Baht 548 million. The subsidiaries fully recognised expected credit loss on such interest income.

4.26 Interest expenses

Interest expenses in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Deposits	2,637,766	3,242,249	-	-
Interbank and money market items	25,468	28,431	19,589	127
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	523,948	1,062,716	-	-
Issued debt securities				
- Subordinated debentures	265,996	275,075	-	-
- Unsubordinated debentures	180,703	467,063	50,827	73,630
Borrowings	913	13,264	-	12,352
Others	24,206	-	24	-
Total interest expenses	3,659,000	5,088,798	70,440	86,109

4.27 Net fee and service income

Net fee and service income in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Fee and service income				
- Acceptance, aval and guarantees	6,670	5,271	-	-
- Insurance service	2,222,944	3,129,050	-	-
- Brokerage fee	784,796	718,042	-	-
- Fund management	1,219,100	1,527,632	-	-
- Others	1,226,181	1,130,977	-	-
Total fee and service income	5,459,691	6,510,972	-	-
Fee and service expenses				
- Information service expenses	(17,760)	(14,885)	-	-
- Others	(295,900)	(310,869)	(21,975)	(17,175)
Total fee and service expenses	(313,660)	(325,754)	(21,975)	(17,175)
Net fee and service income	5,146,031	6,185,218	(21,975)	(17,175)

4.28 Net gain on financial instruments measured at fair value through profit or loss

Net gain on financial instruments measured at fair value through profit or loss in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Gains (losses) on financial instruments				
measured at fair value through profit or loss				
- Foreign currencies and derivatives				
on foreign exchange	(15,283)	-	(1,738)	-
- Debt securities	20,032	-	-	-
- Equity securities	252,741	-	54,964	-
- Others	(5)	-	-	-
Net gain on financial instruments measured at				
fair value through profit or loss	257,485	-	53,226	-

4.29 Net loss on trading and foreign exchange transactions

Net loss on trading and foreign exchange transactions in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Gains (losses) on trading and foreign exchange				
transactions				
- Foreign currencies and derivatives				
on foreign exchange	-	(58,331)	-	(59,493)
- Derivatives on interest rates	-	(2)	-	-
- Debt securities	-	34,294	-	-
- Others	-	(188)	-	-
Net loss on trading and foreign exchange				
transactions	-	(24,227)	-	(59,493)

4.30 Net gain on investments

Net gain on investments in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Gains on disposal				
- Debt instruments measured at fair value through other comprehensive income	4,921	-	-	-
- Debt instruments measured at amortised cost	7,451	-	-	-
- Available-for-sale investments	-	703	-	-
- Held-to-maturity debt securities	-	9,880	-	-
- General investments	-	1,918	-	-
Total	12,372	12,501	-	-
Loss on impairment				
- General investments	-	(5,684)	-	-
Total	-	(5,684)	-	-
Net gain on investments	12,372	6,817	-	-

4.31 Bad debts, doubtful accounts and impairment loss

Bad debts, doubtful accounts and impairment loss in the statements of comprehensive income for the years ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Held-to-maturity debt securities (reversal)	-	(915)	-	-
Loans to customers	-	1,110,018	-	-
Total	-	1,109,103	-	-

4.32 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 year ended 31 December 2020 and 2019 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	
	2020	2019	2020	2019
Expected credit loss				
- Interbank and money market items	1,081	-	9	-
- Investments in debt instruments measured at amortised cost (reversal)	(390)	-	-	-
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	193,797	-	168,272	-
- Loans to customers	3,067,524	-	4,134	-
Loss from the modification of terms				
- Loans to customers	53,876	-	-	-
Loan commitments	14,716	-	-	-
Total	3,330,604	-	172,415	-

4.33 Income tax expenses

Income tax expenses of the Group for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Current income tax:				
Income tax expenses for the year	1,040,671	2,081,022	105,243	91,600
Adjustments of prior year's income tax	37	-	-	-
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	456,946	(298,469)	(52,801)	(12,760)
Income tax expenses reported in the statement of comprehensive income	1,497,654	1,782,553	52,442	78,840

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
(Gain) loss on valuation of investments in debt instruments measured at fair value through other comprehensive income	(411)	-	307	-
Gain on valuation of available-for-sale investments	-	(14,854)	-	(22,852)
Actuarial loss	8,072	57,556	2,770	4,125
Income tax expenses recorded directly to other comprehensive income	7,661	42,702	3,077	(18,727)

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2020 and 2019 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2020	2019	2020	2019
Accounting profit before tax	7,561,516	9,055,751	5,111,737	6,303,124
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	1,512,303	1,811,150	1,022,347	1,260,625
Income tax effect:				
Tax effect of net tax-exempt income and net disallowed expenses	(13,367)	(23,936)	(969,905)	(1,181,785)
Adjustments of prior year's income tax	37	-	-	-
Others	(1,319)	(4,661)	-	-
Income tax expenses reported in the statement of comprehensive income	1,497,654	1,782,553	52,442	78,840
Weighted average tax rate	19.81%	19.68%	1.03%	1.25%

The components of deferred tax assets and deferred tax 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	
	2020	2019	2020	2019
Allowance for doubtful accounts	391,269	838,399	(447,130)	124,910
Allowance for expected credit loss	42,846	-	42,846	-
Allowance for impairment of investments	34,788	39,063	(4,275)	(4,663)
Allowance for impairment of properties foreclosed	168	55	113	(2,319)
Non-accrual of interest income	10,719	55,655	(44,936)	4,971
Depreciation of assets	(69,190)	(75,889)	6,699	(6,411)
Finance leases	-	(12)	12	150
Gain on changes in value of investment properties	(1,441)	(4,722)	3,281	205
Surplus on revaluation of assets	(295,261)	(296,051)	-	-
Surplus on changes in value of investments	(961)	(17,385)	-	-
Unrealised (gain) loss on derivatives	-	(214)	214	(2,131)
Gain on changes in fair value of investment in securities	(131,109)	-	(10,915)	-
Deferred commission and direct expenses incurred at the initiation of hire purchase	(370,862)	(615,105)	244,243	(22,779)
Loss on disposal of properties foreclosed	46,727	49,173	(2,446)	26,710
Unearned interest income on hire purchase	101,877	197,238	(95,361)	18,017
Reduction of subsidiaries' share capital	21,435	25,048	(3,613)	3,613
Accrued expenses	581,072	694,211	(113,139)	87,811
Employee benefit expenses	308,945	295,862	12,622	81,825
Others	95,422	139,578	(44,156)	10,182
Deferred tax assets	766,444	1,324,904	(455,941)	320,091

(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	
	2020	2019	2020	2019
Allowance for expected credit loss	(81)	-	(81)	-
Allowance for impairment of investments	(6)	-	(6)	-
Depreciation of assets	(1,757)	-	(1,757)	(1,200)
Gain on changes in fair value of investment properties	2,687	-	2,687	-
Surplus on revaluation of assets	507	-	-	-
Gain on changes in value of investments in securities	46,970	-	39,774	-
Accrued expenses	(21,343)	-	(21,343)	17,406
Employee benefit expenses	(24,862)	-	(17,251)	5,214
Others	(1,018)	-	(1,018)	202
Deferred tax liabilities	1,097	-	1,005	21,622

(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	
	2020	2019	2020	2019
Allowance for expected credit loss	34,483	-	34,483	-
Allowance for impairment of investments	21,732	21,732	-	-
Depreciation of assets	(41,622)	(39,177)	(2,445)	(3,294)
Gain on changes in fair value of investment properties	(92,082)	(92,082)	-	-
Surplus on revaluation of assets	(76,413)	(76,573)	-	-
(Surplus) deficit on changes in value of investments	307	(10,447)	-	-
Gain on changes in value of investments in securities	(21,440)	-	(10,992)	-
Reduction of subsidiaries' share capital	21,435	21,435	-	-
Accrued expenses	297,228	268,696	28,532	2,398
Employee benefit expenses	58,348	53,179	2,399	13,656
Others	824	-	824	-
Deferred tax assets	202,800	146,763	52,801	12,760

4.34 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	
	2020	2019	2020	2019
Profit attributable to equity holders of the Company (Thousand Baht)	6,063,483	7,270,233	5,059,295	6,224,284
Weighted average number of shares (Thousand shares)	800,655	800,655	800,655	800,655
Basic earnings per share (Baht/share)	7.57	9.08	6.32	7.77

4.35 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 Investment Advisory Securities Co., Ltd. ⁽¹⁾	Subsidiary company
TISCO Tokyo Leasing Co., Ltd.	Joint venture company

(1) The company registered the completeness of liquidation with the Ministry of Commerce on 28 October 2020.

As at 31 December 2020 and 2019, the balances of accounts between the Company and its related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	as at 31 December	
	2020	2019
<u>Outstanding balance</u>		
Directors and management - departmental manager upward		
Loans ⁽²⁾	23,839	22,366
Deposits	513,190	363,369
Companies which directors or their related persons have significant influence over		
Deposits	147,902	510,516
Related persons of directors and key management		
Deposits	35,880	35,571

(2) Including employee welfare loans and normal loans

(Unit: Thousand Baht)

	Separate financial statements	
	as at 31 December	
	2020	2019
<u>Outstanding balance</u>		
(Eliminated from the consolidated financial statements)		
Subsidiary companies		
Interbank and money market items - net (assets)		
TISCO Bank Public Company Limited	17,382	1,098,448
Loans to customers		
Hi-way Co., Ltd.	3,180,000	2,210,000
Dividend receivables		
TISCO Bank Public Company Limited	1,888,978	4,100,464
TISCO Securities Co., Ltd.	340,000	75,000
TISCO Asset Management Co., Ltd.	629,996	699,996
Hi-Way Co., Ltd.	416,500	550,000
TISCO Insurance Solution Co., Ltd.	374,987	384,987
TISCO Information Technology Co., Ltd.	159,995	49,999
TISCO Learning Center Co., Ltd.	34,498	17,499
Other assets		
TISCO Bank Public Company Limited	126,221	120,398
TISCO Securities Co., Ltd.	-	24
TISCO Asset Management Co., Ltd.	-	53
TISCO Learning Center Co., Ltd.	-	365
Interbank and money market items (liabilities)		
TISCO Bank Public Company Limited	3,780,000	-
Other liabilities		
TISCO Learning Center Co., Ltd.	179	43

Loans to related companies

As at 31 December 2020 and 2019, the balances of loans between the Company and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	As at 31 December 2019	Increase	Decrease	As at 31 December 2020
Subsidiary companies				
Loans				
Hi-Way Co., Ltd	2,210,000	1,420,000	(450,000)	3,180,000

During the year, 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)

	Separate financial statements		
	For the years ended 31 December		Terms and pricing policies
	2020	2019	

Transactions occurred during the year

(Eliminated from the consolidated financial statements)

Subsidiary companies

Interest income	58,417	56,690	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	2,145,465	2,185,213	Determined on market prices and/or actual costs in compliance with the criteria specified by the BOT
Rental income	75,987	80,246	With reference to the terms and prices as offered to other customers
Computer system advisory service expenses	315,000	292,000	Determined on actual costs in compliance with the criteria specified by the BOT
Training expenses	6,528	9,566	With reference to the prices as offered from other service providers
Interest expenses	19,589	127	With reference to the terms and prices as offered from other service providers
Other expenses	1,527	1,688	With reference to the terms and prices as offered to other customers

In May 2020, the Company invested in private sector debt securities totaling Baht 372 million of a company with weak financial position and poor operating results from mutual funds managed by the subsidiary operating an asset management business. As at 31 December 2020, the Company has already set up an allowance for expected credit loss amounting to Baht 164 million on these investments, calculated based on the average recovery rate as announced by the Thai Bond Market Association.

Directors' and key management's benefits

During the years ended 31 December 2020 and 2019, the Group had short-term benefit expenses and other employee 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	
	2020	2019	2020	2019
Short-term benefits	769	773	458	467
Post-employment benefits	61	60	32	32
Other long-term benefits	145	145	107	107
Total	975	978	597	606

4.36 Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group Chief Executive of TISCO Group.

For management purposes, the Group operates four main businesses as follows:

1. Commercial banking business: Provides financial services under the Commercial Banking Business license. Banking services are provided through TISCO Bank Public Company Limited headquarter and its branches.
2. Securities business: Provides securities business services under the Securities Business license. These businesses are serviced through the headquarter and branches of the subsidiary across the country.
3. Asset management business: Provides asset management services.
4. Support business: Provides all governance and support functions of the Group.

The Group has aggregated operating segments that have similar economic characteristics and are similar in the other respects required by the Thai Financial Reporting Standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group income taxes are managed on a group basis. Therefore, these 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 operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

During the years 2020 and 2019, the Group did not have income from any customer amounting to or over 10 percent of its income.

The following tables present revenue and profit information regarding the Group operating segments for the years ended 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

For the year ended 31 December 2020

	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	16,270	1,097	1,550	(13)	18,904	-	18,904
Inter-segment	887	2	(64)	8,104	8,929	(8,929)	-
Total revenue	17,157	1,099	1,486	8,091	27,833	(8,929)	18,904
Operating results							
Net interest income	13,082	11	4	(5)	13,092	6	13,098
Net fee and service income	3,682	879	1,476	996	7,033	(1,887)	5,146
Other operating income	393	209	6	7,100	7,708	(7,048)	660
Total operating income	17,157	1,099	1,486	8,091	27,833	(8,929)	18,904
Premises and equipment expenses and amortisation	(1,545)	(80)	(27)	(778)	(2,430)	1,012	(1,418)
Other operating expenses	(6,670)	(575)	(639)	(1,788)	(9,672)	3,079	(6,593)
Expected credit loss	(3,181)	(1)	-	(173)	(3,355)	24	(3,331)
Total operating expenses	(11,396)	(656)	(666)	(2,739)	(15,457)	4,115	(11,342)
Segment profit before income tax expenses	5,761	443	820	5,352	12,376	(4,814)	7,562
Income tax expenses							(1,498)
Non-controlling interests of the subsidiaries							-
Profit for the year - equity holders of the Company							6,064

(Unit: Million Baht)

For the year ended 31 December 2019

	Commercial banking business and lending business	Securities business	Asset management business	Support business	Total segments	Eliminations	Consolidated financial statements
Revenue							
External customers	17,074	777	1,736	(151)	19,436	-	19,436
Inter-segment	637	250	(40)	9,202	10,049	(10,049)	-
Total revenue	17,711	1,027	1,696	9,051	29,485	(10,049)	19,436
Operating results							
Net interest income	12,781	26	7	(22)	12,792	-	12,792
Net fee and service income	4,455	873	1,684	984	7,996	(1,811)	6,185
Other operating income	475	128	5	8,089	8,697	(8,238)	459
Total operating income	17,711	1,027	1,696	9,051	29,485	(10,049)	19,436
Premises and equipment expenses and amortisation	(1,562)	(84)	(28)	(793)	(2,467)	997	(1,470)
Other operating expenses	(7,539)	(841)	(657)	(1,854)	(10,891)	3,090	(7,801)
Bad debts, doubtful accounts and impairment loss	(1,105)	-	-	-	(1,105)	(4)	(1,109)
Total operating expenses	(10,206)	(925)	(685)	(2,647)	(14,463)	4,083	(10,380)
Segment profit before income tax expenses	7,505	102	1,011	6,404	15,022	(5,966)	9,056
Income tax expenses							(1,783)
Non-controlling interests of the subsidiaries							(3)
Profit for the year - equity holders of the Company							7,270

The following tables present total assets information regarding the Group's operating segments as at 31 December 2020 and 2019, respectively.

(Unit: Million Baht)

As at 31 December 2020									
	Commercial banking and lending business		Asset management business			Support business	Total segments	Eliminations	Consolidated financial statements
	Securities business								
Segment total assets	272,267	3,392	1,412	31,087	308,158	(32,715)	275,443		
Premises and equipment - net	910	18	249	847	2,024	898	2,922		

(Unit: Million Baht)

As at 31 December 2019									
	Commercial banking and lending business		Asset management business			Support business	Total segments	Eliminations	Consolidated financial statements
	Securities business								
Segment total assets	291,429	2,806	1,464	32,767	328,466	(30,323)	298,143		
Premises and equipment - net	939	18	250	826	2,033	951	2,984		

4.37 Provident fund

The Company, its eight subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and the employees contribute to the fund monthly at the rates of 5 to 15 percent of the employees' salaries, in accordance with the rules prescribed in the fund's articles. The provident funds of the Company and its eight subsidiaries 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 2020 and 2019, the Group recognised the contributions as expenses totaling Baht 320 million and Baht 301 million, respectively (the Company only: Baht 48 million and Baht 45 million, respectively).

4.38 Commitments and contingent liabilities

4.38.1 Avals, guarantees and commitments

(Unit: Thousand Baht)

Consolidated financial statements		
as at 31 December		
	2020	2019
Other guarantees	497,316	482,094
Undrawn client overdraft facilities	20,000	46,439
Foreign exchange contracts (Note 4.39.5)	1,189,528	917,044
Others	1,338,700	548,509
Total	3,045,544	1,994,086

4.38.2 Litigation

As at 31 December 2020 and 2019, the subsidiaries have been sued for compensation totaling approximately Baht 392 million and Baht 314 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Group believes that no material losses to the consolidated financial statements will be incurred as a result of the mentioned lawsuits.

4.38.3 Other commitments

- a) The subsidiary companies 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.
- b) The subsidiary that operates a banking business has provided warranties in accordance with the terms of an agreement, related to the sale of a personal loan portfolio. The warranties cover a period of 3 years after the transfer date, to be expired in June 2021.

4.39 Risk management

4.39.1 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 corporate 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 overdue payments of problem loan accounts and properties foreclosed on a regular basis.

The credit risk assessment processes are key practices of the Group and include credit rating, credit analysis, 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 2020 and 2019, the maximum exposure to credit risk are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	as at 31 December		as at 31 December	
	2020	2019	2020	2019
Interbank and money market items (Assets)	38,213	45,300	17	1,098
Investments in debt instruments measured at fair value through other comprehensive income	9,953	-	206	-
Investments in debt instruments measured at amortised cost	12	12	-	-
Available-for-sale debt investments	-	7,997	-	-
Loans to customers and accrued interest receivables	226,714	244,067	3,180	2,210
Securities and derivatives business receivables	1,058	1,164	-	-
Receivables from clearing house	292	1	-	-
Total financial assets	276,242	298,541	3,403	3,308
Loan commitments	1,339	595	-	-
Total credit risk exposure	277,581	299,136	3,403	3,308

Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to risk. The details of the exposure to risk with collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral	
	as at 31 December 2020	Type of collateral
Interbank and money market items	33,502	Bonds
Loans to customers and accrued interest receivables	224,979	Motor vehicles, lands 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 statement as at 31 December 2020			
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (Assets)				
Investment grade	38,213	-	-	38,213
Non-investment grade	-	-	-	-
Total	38,213	-	-	38,213
Allowance for expected credit loss	1	-	-	1
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	9,722	-	-	9,722
Non-investment grade	-	-	231	231
Total	9,722	-	231	9,953
Allowance for expected credit loss	-	-	191	191

(Unit: Million Baht)

Consolidated financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
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	179,250	8,228	364	187,842
1 - 30 days overdue	11,327	8,900	365	20,592
31 - 60 days overdue	-	9,805	275	10,080
61 - 90 days overdue	-	3,263	178	3,441
Over 90 days overdue	-	-	4,759	4,759
Total	190,577	30,196	5,941	226,714
Allowance for expected credit loss	5,393	3,689	1,688	10,770
Allowance established in excess				1,056
Total allowance for expected credit loss				11,826
Securities and derivatives business receivables				
0 day overdue	1,058	-	-	1,058
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	1,058	-	-	1,058
Allowance for expected credit loss	-	-	-	-
Receivables from clearing house				
0 day overdue	292	-	-	292
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	292	-	-	292
Allowance for expected credit loss	-	-	-	-
Loan commitments				
0 day overdue	1,339	-	-	1,339
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	1,339	-	-	1,339
Allowance for expected credit loss	15	-	-	15

(Unit: Million Baht)

Separate financial statement as at 31 December 2020

	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items				
(Assets)				
Investment grade	17	-	-	17
Non-investment grade	-	-	-	-
Total	17	-	-	17
Allowance for expected credit loss	-	-	-	-
Investments in debt securities measured				
at fair value through other				
comprehensive income				
Investment grade	-	-	-	-
Non-investment grade	-	-	206	206
Total	-	-	206	206
Allowance for expected credit loss	-	-	164	164
Loans to customers and accrued				
interest receivables				
0 day overdue	3,180	-	-	3,180
1 - 30 days overdue	-	-	-	-
31 - 60 days overdue	-	-	-	-
61 - 90 days overdue	-	-	-	-
Over 90 days overdue	-	-	-	-
Total	3,180	-	-	3,180
Allowance for expected credit loss	4	-	-	4

TISCO Group has centralised its risk management function under the regulatory guidelines for consolidated supervision issued by the Bank of Thailand. The Group manage 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, 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. The Group therefore 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 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 over the next 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 classified by quality of credit is as follows:

(Unit: Million Baht)

	As at 31 December	
	2020	2019
Not yet past due		
Very high grade	53,570	56,241
High grade	45,175	52,635
Medium grade	3,616	11,603
Subtotal	102,361	120,479
Hire purchase receivables - overdue for 31 to 90 days	19,418	11,569
Hire purchase receivables - overdue for more than 90 days	2,741	2,798
Total	124,520	134,846

4.39.2 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. The Group uses a combination of risk sensitivities, Value at Risk and stress testing to manage market risks and establish limits. The Value at Risk (VaR) concept has employed methodologies and internal techniques 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.

4.39.2.1 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	
	2020	2019	2020	2019
Marketable financial assets				
Equity securities	348	235	151	114
Debt securities	4	4	-	-
Foreign currencies	60	31	60	31

4.39.2.2 Market risk sensitivity - Interest bearing assets and liabilities

The market risk sensitivity of interest bearing assets and liabilities is measured by assessing the effect of changes in interest rates on the net interest income over one year, based on the interest bearing asset and liability positions held by the Group at the financial statements date. In making such assessment, changes in interest rates are applied prospectively and normal increases in assets and liabilities are not taken into account as presented below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase (decrease) in sensitivity of net interest income as at 31 December		Increase (decrease) in sensitivity of net interest income as at 31 December	
	2020	2019	2020	2019
Change in interest rate				
Increase by 1 percent	102.44	(23.28)	(21.34)	(22.18)
Decrease by 1 percent	(102.44)	23.28	21.34	22.18

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. 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.

4.39.2.3 Interest rate risk

The Group has the following significant exposures to interest rate risk related to financial instruments.

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2020			
	Outstanding balances of financial instruments			
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,220	1,220
Interbank and money market items - net	132	34,591	3,490	38,213
Financial assets measured at fair value through profit or loss	-	-	2,173	2,173
Derivatives assets	-	-	62	62
Investments - net	-	4,691	5,262	9,953
Loans to customers	36,336	179,168	11,210	226,714
Securities and derivatives business receivables - net	-	-	1,058	1,058
Other assets - receivables from clearing house	-	-	292	292
	36,468	218,450	24,767	279,685

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2020				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial liabilities				
Deposits	52,805	149,953	715	203,473
Interbank and money market items	343	5,326	138	5,807
Liabilities payable on demand	-	-	1,285	1,285
Debts issued and borrowings	-	12,826	-	12,826
Lease liabilities	-	829	-	829
Securities and derivatives business				
payables - net	-	-	1,033	1,033
Accrued interest payable	-	-	736	736
Other liabilities - payables to clearing house	-	-	310	310
	<u>53,148</u>	<u>168,934</u>	<u>4,217</u>	<u>226,299</u>

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Cash	-	-	1,103	1,103
Interbank and money market items - net	307	43,001	1,992	45,300
Derivatives assets	-	-	22	22
Investments - net	-	2,745	6,618	9,363
Loans to customers ⁽¹⁾	25,960	207,994	10,113	244,067
Securities and derivatives business receivables - net	-	-	1,164	1,164
Other assets - receivables from clearing house	-	-	1	1
	<u>26,267</u>	<u>253,740</u>	<u>21,013</u>	<u>301,020</u>
Financial liabilities				
Deposits	39,772	175,645	668	216,085
Interbank and money market items	214	4,337	105	4,656
Liabilities payable on demand	-	-	307	307
Debts issued and borrowings	-	25,017	-	25,017
Securities and derivatives business payables - net	-	-	821	821
Accrued interest payable	-	-	1,006	1,006
Other liabilities - payables to clearing house	-	-	339	339
	<u>39,986</u>	<u>204,999</u>	<u>3,246</u>	<u>248,231</u>

(1) Loans to customers with floating interest rates and fixed interest rates include non-performing loans to customers on an accrual basis.

(Unit: Million Baht)

Separate financial statements as at 31 December 2020				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items - net	17	-	-	17
Financial assets measured at fair value through profit or loss	-	-	890	890
Investments - net	-	206	-	206
Loans to customers	-	3,180	-	3,180
	<u>17</u>	<u>3,386</u>	<u>890</u>	<u>4,293</u>
Financial liabilities				
Interbank and money market items	-	3,780	-	3,780
Debts issued and borrowings	-	1,629	-	1,629
Lease liabilities	-	1	-	1
Accrued interest payable	-	-	1	1
	<u>-</u>	<u>5,410</u>	<u>1</u>	<u>5,411</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2019				
Outstanding balances of financial instruments				
Transactions	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
Financial assets				
Interbank and money market items - net	6	1,092	-	1,098
Investments - net	-	-	837	837
Loans to customers	-	2,210	-	2,210
	<u>6</u>	<u>3,302</u>	<u>837</u>	<u>4,145</u>
Financial liabilities				
Debts issued and borrowings	-	6,300	-	6,300
Accrued interest payable	-	-	17	17
	<u>-</u>	<u>6,300</u>	<u>17</u>	<u>6,317</u>

Financial instruments which bear interest rate at fixed rates are classified below by the year 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 2020							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items - net	1	34,590	-	-	-	34,591	0.549
Investments - net	36	2,210	2,272	173	-	4,691	1.8251
Loans to customers	4,647	14,053	38,217	103,585	18,666	179,168	8.2204
	<u>4,684</u>	<u>50,853</u>	<u>40,489</u>	<u>103,758</u>	<u>18,666</u>	<u>218,450</u>	
Financial liabilities							
Deposits	466	84,431	64,812	244	-	149,953	1.1282
Interbank and money market items	400	1,221	392	3,313	-	5,326	1.4777
Debts issued and borrowings	37	3,949	-	2,220	6,620	12,826	3.4090
Lease liabilities	-	-	180	574	75	829	2.5040
	<u>903</u>	<u>89,601</u>	<u>65,384</u>	<u>6,351</u>	<u>6,695</u>	<u>168,934</u>	

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019							
Transactions	At call	Repricing or maturity date				Total	Interest rates (%)
		0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years		
Financial assets							
Interbank and money market items - net	1	43,000	-	-	-	43,001	1.3172
Investments - net	-	2,131	611	3	-	2,745	1.6729
Loans to customers	4,493	16,071	42,742	118,702	25,986	207,994	8.0085
	<u>4,494</u>	<u>61,202</u>	<u>43,353</u>	<u>118,705</u>	<u>25,986</u>	<u>253,740</u>	
Financial liabilities							
Deposits	2,744	89,955	82,251	695	-	175,645	1.8088
Interbank and money market items	-	1,636	368	2,333	-	4,337	0.8304
Debts issued and borrowings	37	6,300	12,000	-	6,680	25,017	2.7367
	<u>2,781</u>	<u>97,891</u>	<u>94,619</u>	<u>3,028</u>	<u>6,680</u>	<u>204,999</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2020							
Repricing or maturity date							
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	Interest rates (%)
Financial assets							
Interbank and money market items - net							
Investment - net	11	-	25	170	-	206	3.3391
Loans to customers	3,180	-	-	-	-	3,180	1.7500
	<u>3,191</u>	<u>-</u>	<u>25</u>	<u>170</u>	<u>-</u>	<u>3,386</u>	
Financial liabilities							
Interbank and money market items	3,780	-	-	-	-	3,780	1.3970
Debts issued and borrowings	-	1,629	-	-	-	1,629	0.8439
Lease liabilities	-	-	-	1	-	1	2.3326
	<u>3,780</u>	<u>1,629</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>5,410</u>	

(Unit: Million Baht)

Separate financial statements as at 31 December 2019							
Repricing or maturity date							
Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Total	Interest rates (%)
Financial assets							
Interbank and money market items - net	1,092	-	-	-	-	1,092	0.7500
Loans to customers	2,210	-	-	-	-	2,210	2.0000
	<u>3,302</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,302</u>	
Financial liabilities							
Debts issued and borrowings	-	6,300	-	-	-	6,300	1.7662
	<u>-</u>	<u>6,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,300</u>	

4.39.3 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 issued 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 as 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.

4.39.3.1 Volume and composition of highly liquid assets and internal ratio

(Unit: Million Baht)

	As at 31 December	
	2020	2019
Composition of highly liquid assets		
Cash	1,216	1,099
Interbank and money market - net	36,961	44,050
Current investments - net	9,410	7,466
Total highly liquid assets ⁽¹⁾	47,587	52,615
Liquid asset requirement ⁽¹⁾	34,142	38,862

(1) Highly liquid assets and liquid asset requirement are based on internal measurement.

The subsidiary operating a banking business has an internal policy to maintain the highly liquid assets in which the highly liquid assets must be higher than the internal liquid asset requirement. As at 31 December 2020 and 2019, the subsidiary has highly liquid assets, higher than the internal liquid asset requirement. In addition, the subsidiary has operating cash inflow from business, and available credit line from other financial institutions which is available to support uncertain liquidity requirement.

4.39.3.2 Counting from the financial statements date, as at 31 December 2020 and 2019, the periods to the maturity dates of financial instruments are as follows:

(Unit: Million Baht)

Transactions	Consolidated financial statements as at 31 December 2020							Financial assets that are credit impaired (Non-performing)	Total
	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified			
Financial assets									
Cash	1,220	-	-	-	-	-	-	1,220	
Interbank and money market items - net	3,623	34,590	-	-	-	-	-	38,213	
Financial asset measured at fair value through profit or loss	-	-	-	-	-	2,173	-	2,173	
Derivatives assets	-	62	-	-	-	-	-	62	
Investments - net	-	4,861	4,858	3	-	-	231	9,953	
Loans to customers	4,177	15,491	42,640	124,292	34,173	-	5,941	226,714	
Securities and derivatives business receivables - net	-	1,058	-	-	-	-	-	1,058	
Other assets - receivables from	-	292	-	-	-	-	-	292	

clearing house								
	<u>9,020</u>	<u>56,354</u>	<u>47,498</u>	<u>124,295</u>	<u>34,173</u>	<u>2,173</u>	<u>6,172</u>	<u>279,685</u>
Financial liabilities								
Deposits	53,986	84,431	64,812	244	-	-	-	203,473
Interbank and money market items	881	1,221	392	3,313	-	-	-	5,807
Liabilities payable on demand	1,285	-	-	-	-	-	-	1,285
Debts issued and borrowings	37	3,949	-	2,220	6,620	-	-	12,826
Lease liabilities	-	-	180	574	75	-	-	829
Securities and derivatives business payables - net	-	1,033	-	-	-	-	-	1,033
Accrued interest payable	18	459	257	2	-	-	-	736
Other liabilities - payables to clearing house	-	310	-	-	-	-	-	310
	<u>56,207</u>	<u>91,403</u>	<u>65,641</u>	<u>6,353</u>	<u>6,695</u>	<u>-</u>	<u>-</u>	<u>226,299</u>
Commitments and contingent liabilities								
Avals to bills and guarantees of loans	2	-	32	24	-	439	-	497
Other commitments	-	1,190	179	1,159	-	20	-	2,548

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non-performing loans	Total
Financial assets								
Cash	1,103	-	-	-	-	-	-	1,103
Interbank and money market items - net	2,299	43,001	-	-	-	-	-	45,300
Derivatives assets	-	22	-	-	-	-	-	22
Investments - net	-	6,331	1,662	3	-	1,367	-	9,363
Loans to customers	4,004	16,986	45,442	136,114	35,687	-	5,834	244,067
Securities and derivatives business receivables - net	-	1,164	-	-	-	-	-	1,164
Other assets - receivables from clearing house	-	1	-	-	-	-	-	1
	<u>7,406</u>	<u>67,505</u>	<u>47,104</u>	<u>136,117</u>	<u>35,687</u>	<u>1,367</u>	<u>5,834</u>	<u>301,020</u>
Financial liabilities								
Deposits	43,184	89,955	82,251	695	-	-	-	216,085
Interbank and money market items	319	1,636	368	2,333	-	-	-	4,656
Liabilities payable on demand	307	-	-	-	-	-	-	307
Debts issued and borrowings	37	6,300	12,000	-	6,680	-	-	25,017
Securities and derivatives business payables - net	-	821	-	-	-	-	-	821
Accrued interest payable	25	556	418	7	-	-	-	1,006
Other liabilities - payables to clearing house	-	339	-	-	-	-	-	339
	<u>43,872</u>	<u>99,607</u>	<u>95,037</u>	<u>3,035</u>	<u>6,680</u>	<u>-</u>	<u>-</u>	<u>248,231</u>
Commitments and contingent liabilities								
Avals to bills and guarantees of loans	2	1	32	21	-	426	-	482
Other commitments	-	917	90	489	-	76	-	1,572

(Unit: Million Baht)

Separate financial statements as at 31 December 2020

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Financial assets that are credit impaired (Non-performing)	Total
Financial assets								
Interbank and money market items - net	17	-	-	-	-	-	-	17
Financial assets measured at fair value through profit or loss	-	-	-	-	-	890	-	890
Investments - net	-	-	-	-	-	-	206	206
Loans to customers	3,180	-	-	-	-	-	-	3,180
	<u>3,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>890</u>	<u>206</u>	<u>4,293</u>
Financial liabilities								
Interbank and money market items	3,780	-	-	-	-	-	-	3,780
Debts issued and borrowings	-	1,629	-	-	-	-	-	1,629
Lease liabilities	-	-	-	1	-	-	-	1
Accrued interest payable	-	1	-	-	-	-	-	1
	<u>3,780</u>	<u>1,630</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,411</u>

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

Transactions	At call	0 - 3 months	3 - 12 months	1 - 5 years	Over 5 years	Unspecified	Non-performing loans	Total
Financial assets								
Interbank and money market items - net	1,098	-	-	-	-	-	-	1,098
Investments - net	-	-	-	-	-	837	-	837
Loans to customers	2,210	-	-	-	-	-	-	2,210
	<u>3,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>837</u>	<u>-</u>	<u>4,145</u>
Financial liabilities								
Debts issued and borrowings	-	6,300	-	-	-	-	-	6,300
Accrued interest payable	-	17	-	-	-	-	-	17
	<u>-</u>	<u>6,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,317</u>

The Company will disclose the Financial Business Group's Liquidity Coverage Ratio as of 31 December 2020 via the Company's website within April 2021.

4.39.4 Commodity Price Risk

This is the risk that income or capital is adversely affected by changes in commodity price. The Group has no policy to hold such position.

4.39.5 Derivatives

As at 31 December 2020 and 2019, the subsidiary operating a banking business has a policy to enter into foreign exchange contracts to manage the risk associated with its financial assets, and classifies them as trading derivatives measured at fair value through profit or loss, as follows:

(Unit: Million Baht)

As at 31 December 2020

Maturity	Notional amount	Gain on measurement of fair value
2021	1,190	62

(Unit: Million Baht)

As at 31 December 2019

Maturity	Notional amount	Gain on measurement of fair value
2020	917	22

4.40 Fair value of financial instruments - Fair value hierarchy

As at 31 December 2020 and 2019, 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 2020				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<u>Financial assets measured at fair value</u>					
<u>value</u>					
Financial assets measured at fair value through profit for loss					
Equity securities	1,227	455	-	772	1,227
Unit trusts	946	890	56	-	946
Derivatives					
Foreign exchange contracts	62	-	62	-	62
Investments - debt securities	9,953	-	9,953	-	9,953
<u>Assets measured at fair value</u>					
Investment properties	27	-	-	27	27
Office condominiums	2,425	-	-	2,425	2,425
<u>Financial assets for which fair value is disclosed</u>					
Cash	1,220	1,220	-	-	1,220
Interbank and money market items - net	38,212	3,539	34,673	-	38,212
Loans to customers and accrued interest receivables	215,944 ⁽¹⁾	-	52,859	168,667	221,526
Securities and derivatives business receivables - net	1,058	-	1,058	-	1,058
Other assets - receivables from clearing house	292	292	-	-	292
<u>Financial liabilities for which fair value is disclosed</u>					
Deposits	203,473	53,520	149,953	-	203,473
Interbank and money market items	5,808	1,125	4,683	-	5,808
Liabilities payable on demand	1,285	1,285	-	-	1,285
Debts issued and borrowings	12,826	-	12,228	-	12,228
Lease liabilities	829	-	829	-	829
Securities and derivatives business payables - net	1,033	-	1,033	-	1,033
Accrued interest payable	736	7	729	-	736
Other liabilities - payables to clearing house	310	310	-	-	310

(1) Book value of loans to customers and accrued interest receivables does not include excess provision amounting to Baht 1,056 million.

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2019					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value					
Derivatives					
Foreign exchange contracts	22	-	22	-	22
Available-for-sale investments					
Equity securities	253	253	-	-	253
Debt securities	7,997	-	7,997	-	7,997
Unit trusts	896	837	59	-	896
Assets measured at fair value					
Investment properties	30	-	-	30	30
Office condominiums	2,456	-	-	2,456	2,456
Financial assets for which fair value is disclosed					
Cash	1,103	1,103	-	-	1,103
Interbank and money market items - net	45,300	2,331	42,969	-	45,300
General investments	217	-	-	773	773
Loans to customers and accrued interest receivables	236,913 ⁽²⁾	-	53,810	187,840	241,650
Securities and derivatives business receivables - net	1,164	-	1,164	-	1,164
Other assets - receivables from clearing house	1	1	-	-	1
Financial liabilities for which fair value is disclosed					
Deposits	216,085	40,440	175,645	-	216,085
Interbank and money market items	4,656	353	4,303	-	4,656
Liabilities payable on demand	307	307	-	-	307
Debts issued and borrowings	25,017	-	25,101	-	25,101
Securities and derivatives business payables - net	821	-	821	-	821
Accrued interest payable	1,006	8	998	-	1,006
Other liabilities - payables to clearing house	339	339	-	-	339

(2) Book value of loans to customers and accrued interest receivables does not include excess provision amounting to Baht 3,563 million.

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2020					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value					
through profit or loss - unit trusts	890	890	-	-	890
Investments - debt securities	206	-	206	-	206
Assets measured at fair value					
Investment properties	911	-	-	911	911
Office condominiums	654	-	-	654	654
Financial assets for which fair value is disclosed					
Interbank and money market items - net	17	17	-	-	17
Loans to customers and accrued interest receivables	3,176	-	-	3,176	3,176
Financial liabilities for which fair value is disclosed					
Interbank and money market items	3,780	-	-	3,780	3,780
Debts issued and borrowings	1,629	-	1,629	-	1,629
Lease liabilities	1	-	1	-	1
Accrued interest payable	1	-	1	-	1

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2019					
Book value	Fair value			Total	
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Available-for-sale investments					
Unit trusts	837	837	-	-	837
Assets measured at fair value					
Investment properties	955	-	-	955	955
Office condominiums	619	-	-	619	619
Financial assets for which fair value is disclosed					
Interbank and money market items - net	1,098	6	1,092	-	1,098
Loans to customers and accrued interest receivables	2,210	-	-	2,210	2,210
Financial liabilities for which fair value is disclosed					
Debts issued and borrowings	6,300	-	6,300	-	6,300
Accrued interest payable	17	-	17	-	17

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

5. 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 2018	The 2019 Annual General Meeting of the Shareholders on 22 April 2019	7.00	7.00	5,604	May 2019
Total dividend payment in year 2019				<u>5,604</u>	
Interim dividends for 2019	The 2020 Meeting of the Board of Directors on 10 April 2020	7.75	7.75	6,205	May 2020
Total dividend payment in year 2020				<u>6,205</u>	

6. Reclassification

The Group has reclassified some items in the statement of financial position as at 31 December 2019 in order to correspond to the classification in the current year.

(Unit: Thousand Baht)

	As at 31 December 2019	
	As reclassified	As previously reported
Statement of financial position		
Assets		
Other assets	2,340,175	2,501,180
Liabilities		
Other liabilities	8,659,142	8,820,147

The Group does not present figures as at 1 January 2019 as comparative information because the reclassification does not significantly impact the statement of financial position.

7. Approval of financial statements

These financial statements were approved by the Company's Audit Committee on 11 February 2021.

Summary of Specified Items per Annual Report (Form 56-2)

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Remark: Investors can study further information from the Company's 56-1 Form, which appears on www.sec.or.th or the Company website (www.tisco.co.th).

