

TISCO Bank Public Company Limited
Review report and interim financial information
31 March 2023



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Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of TISCO Bank Public Company Limited

I have reviewed the accompanying statement of financial position of TISCO Bank Public Company Limited as at 31 March 2023, and the related statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Saranya Pludsri

Certified Public Accountant (Thailand) No. 6768

EY Office Limited

Bangkok: 11 May 2023

TISCO Bank Public Company Limited

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	Note	31 March 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Assets			
Cash		1,041,623	1,000,283
Interbank and money market items - net	3.1, 3.7	44,749,164	39,069,597
Financial assets measured at fair value through profit or loss	3.2	940,711	940,631
Derivatives assets	3.3	-	147,489
Investments - net	3.4, 3.7	3,438,631	3,239,972
Loans to customers and accrued interest receivables	3.5, 3.7		
Loans to customers		229,304,528	228,756,963
Accrued interest receivables and undue interest income		1,489,630	1,473,765
Total loans to customers and accrued interest receivables		230,794,158	230,230,728
Less: Deferred revenue		(15,616,951)	(15,566,094)
Less: Allowance for expected credit loss	3.6	(10,507,021)	(10,682,559)
Total loans to customers and accrued interest receivables - net		204,670,186	203,982,075
Properties foreclosed - net		15,328	6,476
Investment properties		28,152	28,152
Premises and equipment - net		698,249	701,655
Right-of-use assets - net		273,477	294,841
Intangible assets - net		18,630	19,605
Deferred tax assets	3.18	225,355	186,494
Other assets	3.8	1,058,368	1,297,445
Total assets		257,157,874	250,914,715

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

TISCO Bank Public Company Limited
Statement of financial position (continued)
As at 31 March 2023

(Unit: Thousand Baht)

	Note	31 March 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Deposits	3.9	197,805,562	189,834,243
Interbank and money market items		6,419,183	6,519,575
Liabilities payable on demand		169,695	256,708
Derivatives liabilities	3.3	72,717	-
Debts issued and borrowings	3.10	7,876,122	7,876,919
Lease liabilities		268,301	289,593
Provisions	3.11	942,330	853,703
Accrued interest payable		712,323	545,034
Income tax payable		962,313	663,585
Dividend payable		-	3,372,938
Other liabilities	3.12	4,824,906	4,768,079
Total liabilities		220,053,452	214,980,377

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

TISCO Bank Public Company Limited
Statement of financial position (continued)
As at 31 March 2023

(Unit: Thousand Baht)

	Note	31 March 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Equity			
Share capital			
Registered			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Issued and fully paid-up			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Share premium on ordinary shares		2,543,024	2,543,024
Other components of equity		301,843	300,977
Retained earnings			
Appropriated - statutory reserve		984,000	984,000
Unappropriated		24,059,878	22,890,660
Total equity		<u>37,104,422</u>	<u>35,934,338</u>
Total liabilities and equity		<u>257,157,874</u>	<u>250,914,715</u>

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


 Mr. Sakchai Peechapatt

(Chairman of the Executive Board)



ธนาคารทีเอสซี จำกัด (มหาชน)
 TISCO Bank Public Company Limited



Mr. Metha Pingsuthiwong

(President)

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income
For the three-month period ended 31 March 2023

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

	Note	2023	2022
Profit or loss:			
Interest income	3.14	3,798,678	3,203,669
Interest expenses	3.15	(815,985)	(478,740)
Net interest income		2,982,693	2,724,929
Fee and service income		402,204	424,624
Fee and service expenses		(23,075)	(21,874)
Net fee and service income	3.16	379,129	402,750
Net gain (loss) on financial instruments measured at fair value through profit or loss		(7,001)	6,419
Net gain (loss) on investments		1,895	(1,654)
Penalty fee income from loans		30,685	33,651
Other operating income		43,500	48,023
Total operating income		3,430,901	3,214,118
Operating expenses			
Employee expenses		758,926	790,662
Premises and equipment expenses		297,436	280,480
Taxes and duties		72,142	55,865
Intercompany supporting fee expenses	3.19	616,057	595,390
Other operating expenses		193,898	141,326
Total operating expenses		1,938,459	1,863,723
Expected credit loss	3.17	33,757	3,797
Profit from operations before income tax expenses		1,458,685	1,346,598
Income tax expenses	3.18	290,041	267,119
Profit for the period		1,168,644	1,079,479

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of comprehensive income (continued)
For the three-month period ended 31 March 2023

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

	Note	2023	2022
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		1,656	(1,509)
Income tax effects		(331)	302
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		1,325	(1,207)
Other comprehensive income for the period (loss)		1,325	(1,207)
Total comprehensive income for the period		1,169,969	1,078,272
Earnings per share			
Basic earnings per share (Baht per share)		1.27	1.17

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statement of cash flows

For the three-month period ended 31 March 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from operating activities		
Profit from operations before income tax	1,458,685	1,346,598
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	54,123	57,393
Expected credit loss	386,635	430,683
Other provisions	39,380	-
Reversal of allowance for impairment of properties foreclosed	(118)	(264)
Gain on disposal of investments in securities	(210)	-
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	243,270	(2,506)
(Gain) loss on financial instruments measured at fair value through profit or loss	(80)	360
Gain on disposal/write-off of equipment and intangible assets	-	-670
Gain on disposal of properties foreclosed	(5,891)	(11,611)
Employee benefit expenses	37,893	23,185
(Increase) decrease in accrued income	12,848	(3,717)
Increase in accrued expenses	297,808	203,089
Net interest income	(2,982,693)	(2,724,929)
Dividend income	(31,075)	(29,835)
Cash received on interest income	3,770,531	3,257,640
Cash paid on interest expenses	(418,524)	(368,796)
Cash received on dividend income	31,075	29,835
Cash paid on income tax	(30,390)	(35,297)
Profit from operating activities before changes in operating assets and liabilities	2,863,267	2,171,158
Operating assets (increase) decrease		
Interbank and money market items	(5,681,531)	(2,669,437)
Loans to customers	(1,082,800)	(594,814)
Properties foreclosed	(8,734)	40,525
Other assets	232,742	60,290

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited

Statement of cash flows (continued)

For the three-month period ended 31 March 2023

	(Unit: Thousand Baht)	
	2023	2022
Operating liabilities increase (decrease)		
Deposits	7,971,319	4,639,156
Interbank and money market items	(100,392)	(1,132,970)
Liabilities payable on demand	(87,013)	(54,510)
Short-term debts issued and borrowings	(797)	-
Provision for long-term employee benefits	(5,914)	(4,837)
Other liabilities	(436,909)	(133,847)
Net cash flows from operating activities	3,663,238	2,320,714
Cash flows from investing activities		
Cash paid for purchase of investments in securities	(1,143,670)	(4,083,164)
Cash received from disposal of investments in securities	946,538	4,215,914
Cash paid for purchase of equipment	(8,630)	(467)
Cash paid for purchase of intangible assets	(760)	(242)
Net cash flows from (used in) investing activities	(206,522)	132,041
Cash flows from financing activities		
Cash received from issuance of long-term debentures	-	2,800,000
Cash paid for redemption of long-term debentures	-	(3,220,000)
Cash paid on lease liabilities	(42,438)	(42,040)
Dividend paid	(3,372,938)	(1,999,802)
Net cash flows used in financing activities	(3,415,376)	(2,461,842)
Net increase (decrease) in cash	41,340	(9,087)
Cash at beginning of the period	1,000,283	1,099,506
Cash at end of the period	1,041,623	1,090,419
	-	-
Supplemental cash flows information		
Non-cash transactions		
Right-of-use assets	18,988	11,845
Transfer-in of properties foreclosed in settlement of loans to customers	311,232	392,386

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

(Unaudited but reviewed)

TISCO Bank Public Company Limited
Statement of changes in equity
For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Issued and fully paid-up		Share premium on ordinary shares	Other components of equity		Total	Retained earnings				
	Preference shares	Ordinary shares		measured at fair value through other comprehensive income	Surplus (deficit) on changes in value of investments measured at fair value through other comprehensive income		Surplus on revaluation of assets	Total	Surplus (deficit) on changes in value of investments		Total
									Retained earnings		
									Appropriated	Unappropriated	
Balance as at 1 January 2022	1	9,215,676	2,543,024	104	302,536	302,640	984,000	21,619,444	34,664,785		
Profit for the period	-	-	-	-	-	-	-	1,079,479	1,079,479		
Other comprehensive income for the period (loss)	-	-	-	(1,207)	-	(1,207)	-	-	(1,207)		
Total comprehensive income for the period (loss)	-	-	-	(1,207)	-	(1,207)	-	1,079,479	1,078,272		
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(460)	(460)	-	573	113		
Balance as at 31 March 2022	1	9,215,676	2,543,024	(1,103)	302,076	300,973	984,000	22,699,496	35,743,170		
Balance as at 1 January 2023	1	9,215,676	2,543,024	304	300,673	300,977	984,000	22,890,660	35,934,338		
Profit for the period	-	-	-	-	-	-	-	1,168,644	1,168,644		
Other comprehensive income for the period	-	-	-	1,325	-	1,325	-	-	1,325		
Total comprehensive income for the period	-	-	-	1,325	-	1,325	-	1,168,644	1,169,969		
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(459)	(459)	-	574	115		
Balance as at 31 March 2023	1	9,215,676	2,543,024	1,629	300,214	301,843	984,000	24,059,878	37,104,422		

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

TISCO Bank Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2023

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

1.1 Basis for preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting and with reference to the regulations stipulated by the Bank of Thailand (“BOT”), with the Bank choosing to present condensed interim financial information. However, the Bank has presented the statements of financial position, comprehensive income, changes in equity and cash flows in the same format as that used for the annual financial statements, and their presentation has been made in compliance with the BOT’s Notification No. Sor Nor Sor. 21/2561 regarding “Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups”, dated 31 October 2018.

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

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

1.2 Coronavirus disease 2019 pandemic

The Coronavirus disease 2019 pandemic is impacting various businesses and industries both directly and indirectly. This situation could create uncertainties and may be impacting the operating results and cash flows in the future. However, the Bank’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in various matters in order to continuously assess the impact as the situation evolves.

1.3 Significant accounting policies

The interim financial information is prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal year beginning on or after 1 January 2023 do not have any significant impact on the Bank's financial statements.

1.4 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19.

The Federation of Accounting Professions has announced Accounting Guidance on Guidelines regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Bank may elect to adopt accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C. 802/2564 dated 3 September 2021 "Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)". The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

1. Debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension (Assistance type 1). For this type of debt restructuring, the Bank may elect to apply the temporary relief measures relating to staging assessment and setting aside of provisions, whereby:
 - Loans that are not yet non-performing (Non-NPL) are classified as loans with no significant increase in credit risk (Performing or Stage 1), provided that the payment terms and conditions are clearly stated in the debt restructuring agreement and the debtor is considered able to comply with the debt restructuring agreement.
 - Non-performing loans (NPL) are classified as performing loans or Stage 1 if the debtor is able to make payment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
 - Additional loans provided to a debtor for use as additional working capital or to increase liquidity to enable the debtor to continue its business operations during the debt restructuring are classified as performing loans or Stage 1 if the debtor is considered able to comply with the debt restructuring agreement.

- Loans are classified as loans with significant increase in credit risk (Underperforming or Stage 2) only when principal or interest payments are more than 30 days past due or 1 month past due, counting from the due date.
 - A new effective interest rate is applied to determine the present value of loans that have been restructured if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan.
2. Debt restructuring involving only a payment timeline extension, e.g. an extension of payment period, a provision of grace period on principal and/or interest payments, a conversion of short-term debts into long-term debts (Assistance type 2). For this type of debt restructuring, the Bank is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. However, the Bank may elect to adopt treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT No. BOT.RPD2.C. 802/2564 to assess whether a debtor is to move to under-performing stage or Stage 2.

For both types of assistance, the Bank may determine expected credit loss based on the outstanding balance of the drawn down portion only.

The Bank provided both types of assistance to debtors. However, it has elected to comply with the staging assessment and the setting aside of provisions in accordance with the relevant financial reporting standards, and has only adopted treatments regarding significant increase in credit risk according to the appendix to the circular of the BOT as mentioned above to assess whether a debtor is to move to under-performing stage or Stage 2 only for some types of loans.

2. General information

2.1 The Bank's information

TISCO Bank Public Company Limited ("the Bank") is a public company incorporated and domiciled in Thailand. Its parent company is TISCO Financial Group Public Company Limited, which was incorporated in Thailand. The Bank has been licensed by the Ministry of Finance to operate a commercial banking business. Its registered address is 48/2 TISCO Tower, 1st Floor, North Sathorn Road, Silom, Bangrak, Bangkok. As at 31 March 2023 and 31 December 2022, the Bank has 54 branches in Thailand.

2.2 Related party transactions

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

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

3. Supplemental information

3.1 Interbank and money market items (assets)

As at 31 March 2023 and 31 December 2022, interbank and money market items include securities purchases under resale agreements made by the Bank according to private repurchase transactions, with the securities received under the resale agreements being used as collateral, as detailed below.

(Unit: Thousand Baht)

	Securities purchased under resale agreements according to private repurchase transactions as at	
	31 March 2023	31 December 2022
Commercial banks	17,200,000	18,600,000
Specialised Financial Institutions	25,500,000	17,900,000

Fair value of securities received as collateral is as follows:

(Unit: Thousand Baht)

	Fair value of securities received as collateral as at	
	31 March 2023	31 December 2022
Commercial banks	17,314,500	18,733,000
Specialised Financial Institutions	26,613,700	18,167,700

(Unaudited but reviewed)

3.2 Financial assets measured at fair value through profit or loss

(Unit: Thousand Baht)

Investments	As at			
	31 March 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Others				
Domestic marketable equity instruments	9,320	6,080	9,320	6,000
Domestic non-marketable equity instruments	220,274	934,631	220,274	934,631
	229,594	940,711	229,594	940,631
Add: Allowance for changes in value	711,117		711,037	
Total	940,711		940,631	

3.3 Derivatives assets/derivatives liabilities

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

(Unit: Thousand Baht)

Type of risks	As at					
	31 March 2023			31 December 2022		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	72,717	1,709,236	147,489	-	1,739,526
Total	-	72,717	1,709,236	147,489	-	1,739,526

All counterparties of these derivatives transactions are financial institutions.

3.4 Investments

3.4.1 Investments classified by type of investments

As at 31 March 2023 and 31 December 2022, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at			
	31 March 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Investments in debt instruments measured at fair value through other comprehensive income				
Government and state enterprise securities				
	3,412,596	3,412,091	3,215,592	3,215,602
Private sector debt securities	51,460	26,540	51,460	24,370
	<u>3,464,056</u>	<u>3,438,631</u>	<u>3,267,052</u>	<u>3,239,972</u>
Less: Allowance for changes in value	(25,425)		(27,080)	
Total	<u>3,438,631</u>		<u>3,239,972</u>	
Allowance for expected credit loss	27,460		27,460	
Investments in debt instruments measured at amortised cost				
Investments in receivables	8,892		8,896	
Less: Allowance for expected credit loss	(8,892)		(8,896)	
Total	<u>-</u>		<u>-</u>	
Total investments	<u><u>3,438,631</u></u>		<u><u>3,239,972</u></u>	

3.4.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at		Type of restrictions
	31 March 2023	31 December 2022	
Government debt securities	2	2	Pledge for electricity usage

(Unaudited but reviewed)

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

As at 31 March 2023 and 31 December 2022, investments in securities of the Bank include investments in securities issued by companies with weak financial positions and poor operating results as follows:

(Unit: Thousand Baht)

	As at					
	31 March 2023			31 December 2022		
	Cost	Fair value	Allowance	Cost	Fair value	Allowance
for expected			for expected			
		credit loss			credit loss	
Companies having problems with debt repayment or in default	51,460	26,540	27,460	51,460	24,370	27,460

3.5 Loans to customers and accrued interest receivables

3.5.1 Classified by type of loans to customers

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Loans to customers		
Overdrafts	6,880	6,880
Loans	107,259,285	105,906,624
Hire purchase receivables	122,038,363	122,843,459
Less: Deferred revenue	(15,616,951)	(15,566,094)
Total loans to customers	213,687,577	213,190,869
Add: Accrued interest receivables and undue interest income	1,489,630	1,473,765
Total loans to customers and accrued interest receivables	215,177,207	214,664,634
Less: Allowance for expected credit loss	(10,507,021)	(10,682,559)
Loans to customers and accrued interest receivables - net	204,670,186	203,982,075

(Unaudited but reviewed)

3.5.2 Classified by loan classification

(Unit: Thousand Baht)

	As at			
	31 March 2023		31 December 2022	
	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)	190,219,290	6,441,870	189,142,376	6,631,970
Financial assets with significant increase in credit risk (Under-performing)	20,808,538	2,672,780	21,495,534	2,758,059
Financial assets that are credit-impaired (Non-performing)	4,149,379	1,392,371	4,026,724	1,292,530
Total	<u>215,177,207</u>	<u>10,507,021</u>	<u>214,664,634</u>	<u>10,682,559</u>

The Bank has continuously provided additional assistance to affected debtors in accordance with circulars of the BOT regarding the provision of financial assistance to debtors affected by COVID-19 since 2020 until present. As at 31 March 2023, the Bank's outstanding loan balance under the relief measures totalled Baht 6,184 million, for which the Bank complies with the staging assessment and the setting aside of provision in accordance with the relevant financial reporting standards.

3.5.3 Classified by loan classification and type of debtors

As at 31 March 2023 and 31 December 2022, loans to customers classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 31 March 2023							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	93,095	2,886	26,609	1,146	70,515	2,410	190,219	6,442
Financial assets with significant increase in credit risk (Under-performing)	12,046	1,311	5,551	637	3,212	725	20,809	2,673
Financial assets that are credit-impaired (Non-performing)	2,044	655	935	382	1,170	355	4,149	1,392
Total	107,185	4,852	33,095	2,165	74,897	3,490	215,177	10,507

(Unit: Million Baht)

	As at 31 December 2022							
	Hire purchase receivables		Loan against auto license receivables		Other loans		Total	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Financial assets with no significant increase in credit risk (Performing)	93,434	3,018	25,506	1,124	70,202	2,490	189,142	6,632
Financial assets with significant increase in credit risk (Under-performing)	12,536	1,342	5,221	570	3,739	846	21,496	2,758
Financial assets that are credit-impaired (Non-performing)	2,098	652	772	297	1,157	344	4,027	1,293
Total	108,068	5,012	31,499	1,991	75,098	3,680	214,665	10,683

3.5.4 Hire purchase receivables

As at 31 March 2023, receivables of the Bank under hire purchase agreements amount to Baht 107,185 million (31 December 2022: Baht 108,068 million) and mostly comprise hire purchase agreements for cars. The terms of the agreements are generally between 1 to 8 years, and under most agreements interest is charged at a fixed rate as specified in agreements.

(Unit: Million Baht)

	As at 31 March 2023				
	Amounts of installments due under the long-term lease agreements				
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit- impaired	Total
Gross investment in the agreements	37,100	74,436	3,810	6,692	122,038
Less: Deferred revenue ⁽¹⁾	(4,401)	(6,183)	(148)	(4,712)	(15,444)
Present value of minimum lease payment from agreements	32,699	68,253	3,662	1,980	106,594
Accrued interest receivables	527	-	-	64	591
Total	33,226	68,253	3,662	2,044	107,185
Allowance for expected credit loss					(4,852)
Net hire purchase receivables					102,333

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

(Unit: Million Baht)

	As at 31 December 2022				
	Amounts of installments due under the long-term lease agreements				
	Not over 1 year	Over 1 year but not over 5 years	Over 5 years	Financial assets that are credit- impaired	Total
Gross investment in the agreements	37,317	74,953	3,911	6,662	122,843
Less: Deferred revenue ⁽¹⁾	(4,405)	(6,204)	(152)	(4,632)	(15,393)
Present value of minimum lease payment from agreements	32,912	68,749	3,759	2,030	107,450
Accrued interest receivables	550	-	-	68	618
Total	33,462	68,749	3,759	2,098	108,068
Allowance for expected credit loss					(5,012)
Net hire purchase receivables					103,056

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

3.5.5 Troubled debt restructuring

As at 31 March 2023 and 31 December 2022, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	31 March 2023		31 December 2022	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	1,489	1,038	1,531	1,021

3.6 Allowance for expected credit loss

As at 31 March 2023, the Bank has allowance for expected credit loss classified by type of financial assets as follows:

	(Unit: Thousand Baht)				Total
	For the three-month period ended 31 March 2023				
	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	
Interbank and money market items (assets)					
Balance - beginning of period	937	-	-	-	937
Changes from revaluation of allowance for credit loss	(357)	-	-	-	(357)
Balance - end of period	580	-	-	-	580
Investments in debt instruments measured at fair value through other comprehensive income					
Balance - beginning of period	-	-	27,460	-	27,460
Changes from revaluation of allowance for credit loss	-	-	-	-	-
Balance - end of period	-	-	27,460	-	27,460

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 31 March 2023

	Financial assets with no significant increase in credit risk	Financial assets with significant increase in credit risk	Financial assets that are credit- impaired	Financial assets applying a simplified approach	Total
Investments in debt instruments measured at amortised cost					
Balance - beginning of period	-	-	8,896	-	8,896
Changes from revaluation of allowance for credit loss	-	-	(4)	-	(4)
Balance - end of period	-	-	8,892	-	8,892
Loans to customers and accrued interest receivables					
Balance - beginning of period	6,631,970	2,758,059	1,292,530	-	10,682,559
Changes from transfers among stages	89,461	(132,262)	42,801	-	-
Changes from revaluation of allowance for credit loss	(747,216)	62,199	694,814	-	9,797
New financial assets purchased or acquired	621,551	52,538	8,919	-	683,008
Derecognition	(153,896)	(67,754)	(64,391)	-	(286,041)
Write-off	-	-	(582,302)	-	(582,302)
Balance - end of period	6,441,870	2,672,780	1,392,371	-	10,507,021
Other assets - accrued interest receivables on investments					
Balance - beginning of period	-	-	556	-	556
Changes from revaluation of allowance for credit loss	-	-	98	-	98
Balance - end of period	-	-	654	-	654
Other assets - other receivables					
Balance - beginning of period	-	-	-	4,934	4,934
Changes from revaluation of allowance for credit loss	-	-	-	362	362
Derecognition	-	-	-	(102)	(102)
Write-off	-	-	-	(7)	(7)
Balance - end of period	-	-	-	5,187	5,187

3.7 Classification of assets

3.7.1 Classification of assets under the BOT's guidelines

As at 31 March 2023 and 31 December 2022, classification of financial assets is as follows:

(Unit: Thousand Baht)

	As at 31 March 2023				Total
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	44,749,744	3,412,091	-	190,219,290	238,381,125
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	20,808,538	20,808,538
Financial assets that are credit-impaired (Non-performing)	-	26,540	8,892	4,149,379	4,184,811
Total	44,749,744	3,438,631	8,892	215,177,207	263,374,474

(Unit: Thousand Baht)

	As at 31 December 2022				Total
	Financial assets				
	Interbank and money market items	Debt instruments measured at fair value through other comprehensive income	Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	
Financial assets with no significant increase in credit risk (Performing)	39,070,534	3,215,602	-	189,142,376	231,428,512
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	21,495,534	21,495,534
Financial assets that are credit-impaired (Non-performing)	-	24,370	8,896	4,026,724	4,059,990
Total	39,070,534	3,239,972	8,896	214,664,634	256,984,036

(Unaudited but reviewed)

3.7.2 Loans to customers with weak financial position and poor operating results

	Number of debtors		Loans to customers and accrued interest receivables				Allowance for expected credit loss provided in the accounts				
	as at		as at		Collateral value		as at				
	31	31	31	31	31	31	31	31			
	March	December	March	December	March	December	March	December			
2023		2022		2023		2022		2023		2022	
				(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)		
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	374	387	290	292	374	387			
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	11	11	1,637	1,784	892	908	101	185			
Total	12	12	2,011	2,171	1,182	1,200	475	572			

3.8 Other assets

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Value added tax - net	434,236	503,682
Accrued interest receivables	9,283	2,456
Fee and service receivables	119,142	131,990
Deposits	57,053	56,714
Other receivables	299,535	401,822
Other assets	139,119	200,781
Total other assets	1,058,368	1,297,445

(Unaudited but reviewed)

3.9 Deposits

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Deposits		
Current accounts	2,222,053	2,779,260
Saving accounts	38,178,433	42,929,520
Fixed accounts		
- not over 6 months	15,761,614	12,296,262
- over 6 months but not over 1 year	17,205,996	15,578,457
- over 1 year	21,668,478	15,050,668
Certificates of deposits/negotiable certificates of deposits	102,768,988	101,200,076
Total	<u>197,805,562</u>	<u>189,834,243</u>

3.10 Debts issued and borrowings

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
<u>Domestic borrowings</u>		
Subordinated unsecured debentures	5,040,000	5,040,000
Unsubordinated unsecured debentures	2,800,000	2,800,000
Bills of exchange	36,122	36,122
Promissory notes	-	797
Total	<u>7,876,122</u>	<u>7,876,919</u>

3.10.1 Subordinated unsecured debentures

As at 31 March 2023 and 31 December 2022, the Bank has long-term subordinated unsecured debentures with an early redemption right in accordance with the BOT's regulations as follows:

Issued year	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
	31 March 2023	31 December 2022		31 March 2023	31 December 2022		
	(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2019	1.20	1.20	1,000	1,200	1,200	2029	4.00 percent per annum
2020	1.25	1.25	1,000	1,250	1,250	2030	3.50 percent per annum
2020	0.69	0.69	1,000	690	690	2030	3.15 percent per annum
2021	0.70	0.70	1,000	700	700	2031	3.25 percent per annum
Total				5,040	5,040		

3.10.2 Unsubordinated unsecured debentures

As at 31 March 2023 and 31 December 2022, the Bank has long-term unsubordinated unsecured debentures as follows:

Issued year	Type of debentures	Units as at		Face value (Baht per unit)	Balance as at		Maturity in the year	Interest rate
		31 March 2023	31 December 2022		31 March 2023	31 December 2022		
		(Million units)	(Million units)		(Million Baht)	(Million Baht)		
2022	Long-term debenture	2.80	2.80	1,000	2,800	2,800	2024	1.25 percent per annum
Total					2,800	2,800		

3.10.3 Bills of exchange

Bills of exchange comprise bills of exchange that mature at call and bear interest at a fixed rate of 2.50 percent per annum.

3.11 Provisions

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Allowance for expected credit loss on loan commitments and financial guarantees	27,366	10,098
Provision for long-term employee benefits	875,584	843,605
Other provisions	39,380	-
Total provisions	942,330	853,703

3.12 Other liabilities

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Withholding income tax and other tax payables	128,325	262,745
Accrued insurance premium	164,279	231,333
Deferred income	1,289,361	1,363,145
Accrued expenses	1,982,825	1,685,017
Suspense creditors	792,390	803,371
Other liabilities	467,726	422,468
Total other liabilities	4,824,906	4,768,079

The above accrued expenses include accrued bonus expenses which are remunerations paid to employees and management based on annual performance. These accrued bonus expenses include costs of annual bonus that are determined with reference to the parent company's share price, paid to employees whose performance impacts the Bank's operating results, as an incentive to work effectively and to build loyalty to the Bank. This vested bonus is continuously set aside for payment five years later. It is paid in cash and partly determined based on the average daily price of the parent company's shares over the period of five years from grant date to settlement date. As of 31 March 2023, the Bank has accrued bonus under this scheme amounting to Baht 146 million (31 December 2022: Baht 135 million) and recognised expenses in profit or loss during the three-month period ended 31 March 2023 amounting to Baht 10 million (2022: Baht 14 million).

3.13 Capital funds

The primary objectives of the Bank'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 Bank maintains capital adequacy ratio in compliance with Basel III principles by implementing capital to risk assets requirement based on Internal Ratings-Based Approach (IRB) for hire purchase receivables, loan against auto license receivables, corporate lending and SME business loans that are qualified to the specified requirements, and for equity exposure and other assets. For such loans that are not qualified to the requirements and other loans, the Standardized Approach (SA) is implemented to maintain capital adequacy ratio.

Regarding Capital funds as at 31 March 2023 and 31 December 2022, the Bank has allocated the additional reserve from loan classification as part of regulatory capital funds. Such reserve has been allocated to Tier 1 capital and Tier 2 capital based on methods under the BOT's regulations.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
<u>Common Equity Tier I capital</u>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	20,417,489	20,417,489
Other components of equity	301,843	300,977
Less: Deductions from Common Equity Tier I items	(267,933)	(229,831)
Total Common Equity Tier I capital	33,194,099	33,231,335
<u>Financial Instrument Tier I capital</u>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
Total Tier I capital	33,194,100	33,231,336
<u>Tier II capital</u>		
Long-term subordinated debentures	5,040,000	5,040,000
Surplus of provision	761,936	765,917
Reserve for loans classified as normal	516,887	520,205
Total Tier II capital	6,318,823	6,326,122
Total capital funds	39,512,923	39,557,458

(Unit: Percent)

Capital fund ratios	As at			
	31 March 2023		31 December 2022	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	19.72	7.00	19.63	7.00
Tier I capital to risk assets	19.72	8.50	19.63	8.50
Total capital to risk assets	23.47	11.00	23.37	11.00

To comply with the Notification of the BOT No. Sor Nor Sor. 14/2562 regarding “Public Disclosure of Capital Maintenance for Commercial Banks (No. 2)”, the Bank has disclosed capital maintenance information as at 31 December 2022 on its website (www.tisco.co.th) in April 2023.

3.14 Interest income

Interest income in the statements of comprehensive income for the three-month periods ended 31 March 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended	
	31 March	
	2023	2022
Interbank and money market items	135,078	35,034
Investments in debt securities	12,356	14,676
Loans to customers	2,181,706	1,632,572
Hire purchase receivables	1,469,538	1,521,387
Total interest income	3,798,678	3,203,669

Interest income for the three-month periods ended 31 March 2023 and 2022 included interest income on credit-impaired financial assets amounting to Baht 62 million and Baht 45 million, respectively. The Bank fully recognised expected credit loss on such interest income.

3.15 Interest expenses

Interest expenses in the statements of comprehensive income for the three-month periods ended 31 March 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods ended	
	31 March	
	2023	2022
Deposits	530,363	305,172
Interbank and money market items	1,168	974
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	228,015	103,749
Issued debt securities		
- Subordinated debentures	45,428	56,710
- Unsubordinated debentures	8,630	9,507
Borrowings	224	225
Others	2,157	2,403
Total interest expenses	815,985	478,740

(Unaudited but reviewed)

3.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month periods ended 31 March 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	2023	2022
Fee and service income		
- Acceptance, aval and guarantees	6,230	4,430
- Insurance service	270,233	281,139
- Others	125,741	139,055
Total fee and service income	402,204	424,624
Fee and service expenses	(23,075)	(21,874)
Net fee and service income	379,129	402,750

3.17 Expected credit loss

Expected credit loss and gain or loss from the modification of terms of financial assets in the statements of comprehensive income for the three-month periods ended 31 March 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	2023	2022
Expected credit loss		
- Interbank and money market items (reversal)	(357)	1,792
- Investments in debt instruments measured at amortised cost (reversal)	(4)	(3,051)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	98	186
- Loans to customers	54,476	9,237
- Other receivables	309	380
Gain from the modification of terms		
- Loans to customers	(38,033)	(5,935)
Loan commitments and financial guarantees	17,268	1,188
Total	33,757	3,797

(Unaudited but reviewed)

3.18 Income tax expenses

Income tax expenses of the Bank for the three-month periods ended 31 March 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	2023	2022
Current income tax:		
Income tax expenses for the period	329,118	271,910
Deferred tax:		
Deferred tax on temporary differences and reversion of temporary differences	(39,077)	(4,791)
Income tax expenses reported in the statement of comprehensive income	<u>290,041</u>	<u>267,119</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2023 and 2022 is as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	2023	2022
Accounting profit before tax	<u>1,458,685</u>	<u>1,346,598</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	291,737	269,319
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	<u>(1,696)</u>	<u>(2,200)</u>
Income tax expenses reported in the statement of comprehensive income	<u>290,041</u>	<u>267,119</u>
Weighted average tax rate	19.88%	19.84%

(Unaudited but reviewed)

The components of deferred tax assets/liabilities are as follows:

(Unit: Thousand Baht)

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

	As at		31 March	
	31 March	31 December	2023	2022
	2023	2022		
Allowance for expected credit loss	13,734	10,283	3,451	99
Allowance for impairment of investments	2,589	2,589	-	-
Allowance for impairment of properties foreclosed	-	24	(24)	(990)
Non-accrual of interest income	3,894	3,894	-	-
Depreciation of assets	(7,758)	(13,923)	6,165	1,070
Surplus on revaluation of assets	(75,053)	(75,168)	-	-
Surplus on changes in value of investments	(407)	(76)	-	-
Gain on changes in value of investments	(142,224)	(142,208)	(16)	72
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(60,919)	(75,391)	14,472	26,426
Unearned interest income on hire purchase	9,448	13,226	(3,778)	(9,698)
Loss on disposal of properties foreclosed	13,328	9,284	4,044	(14,595)
Accrued expenses	213,788	213,788	-	-
Employee benefit expenses	175,117	168,721	6,396	3,670
Others	79,818	71,451	8,367	(1,263)
Deferred tax assets	225,355	186,494	39,077	4,791

3.19 Related party transactions

During the periods, the Bank had significant business transactions with related parties. Such transactions were concluded on bases agreed upon between the Bank and those related parties, and there were no significant changes in the relationship with the related parties or in the pricing policies.

As at 31 March 2023 and 31 December 2022, the balances of accounts between the Bank and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	31 March 2023	31 December 2022
<u>Outstanding balances</u>		
Parent company		
TISCO Financial Group Plc.		
Loans to customers	-	550,000
Other assets	55	-
Deposits	43,838	27,244
Lease liabilities	7,468	9,928
Accrued interest payable	202	11
Dividend payable	-	3,372,521
Other liabilities	125,500	119,625
Related companies		
Interbank and money market items (assets)		
TISCO Securities Co., Ltd.	-	100,000
Other assets		
TISCO Securities Co., Ltd.	164	93
TISCO Asset Management Co., Ltd.	4,078	3,240
Hi-Way Co., Ltd.	971	750
TISCO Insurance Solution Co., Ltd.	15,344	15,339
All-Ways Co., Ltd.	12	-
TISCO Learning Center Co., Ltd.	14	-
TISCO Information Technology Co., Ltd.	28	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Related companies (continued)		
Deposits		
Hi-Way Co., Ltd.	81,359	204,620
TISCO Insurance Solution Co., Ltd.	276,780	540,470
TISCO Information Technology Co., Ltd.	383,418	444,074
TISCO Learning Center Co., Ltd.	47,235	74,549
All-Ways Co., Ltd.	257,364	244,579
Primus Leasing Co., Ltd.	32,897	32,897
TISCO Tokyo Leasing Co., Ltd.	2,557	2,808
Interbank and money market items (liabilities)		
TISCO Securities Co., Ltd.	255,211	388,880
TISCO Asset Management Co., Ltd.	18,264	147,251
Lease liabilities		
TISCO Securities Co., Ltd.	514	577
Hi-Way Co., Ltd.	3,438	3,597
Accrued interest payable		
TISCO Securities Co., Ltd.	549	17
TISCO Asset Management Co., Ltd.	118	8
Hi-Way Co., Ltd.	81	6
TISCO Insurance Solution Co., Ltd.	56	24
TISCO Information Technology Co., Ltd.	304	31
TISCO Learning Center Co., Ltd.	33	4
All-Ways Co., Ltd.	245	116
Other liabilities		
Hi-Way Co., Ltd.	230,160	214,840
TISCO Insurance Solution Co., Ltd.	7,704	13,334
TISCO Learning Center Co., Ltd.	2,546	3,007
All-Ways Co., Ltd.	7,011	5,342

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Management - departmental managers upward		
Loans ⁽¹⁾	8,397	9,675
Directors and management - departmental managers upward		
Deposits	248,350	196,190
Companies which directors or their related persons have significant influence over		
Deposits	597,690	796,166
Related persons of directors and key management		
Deposits	61,487	62,162
Commitments - guarantees		
Parent company		
TISCO Financial Group Plc.	1,040	1,040
Related companies		
TISCO Securities Co., Ltd.	540	540
TISCO Asset Management Co., Ltd.	440	440
TISCO Insurance Solution Co., Ltd.	200	200
TISCO Information Technology Co., Ltd.	1,014	1,014
Commitments - undrawn overdraft facilities		
Related companies		
TISCO Securities Co., Ltd.	30,000	30,000
TISCO Asset Management Co., Ltd.	200,000	200,000
Commitments - loan credit lines ⁽²⁾		
Parent company		
TISCO Financial Group Plc.	9,500,000	9,500,000
Related companies		
TISCO Securities Co., Ltd. ⁽³⁾	5,000,000	5,000,000
TISCO Asset Management Co., Ltd. ⁽³⁾	500,000	500,000
Hi-Way Co., Ltd.	3,500,000	3,500,000
TISCO Insurance Solution Co., Ltd.	500,000	500,000
TISCO Information Technology Co., Ltd.	50,000	50,000
All-Ways Co., Ltd.	1,000,000	1,000,000
TISCO Tokyo Leasing Co., Ltd.	500,000	500,000
Commitments - financial guarantees		
TISCO Tokyo Leasing Co., Ltd.	8,000	8,000

(1) Including employee welfare loans and normal loans

(2) Total loan balances for all credit lines granted to all companies in TISCO Group must not exceed Baht 9,500 million.

(3) Credit line for subordinated loan

(Unaudited but reviewed)

Loans to related companies

As at 31 March 2023, the balances of loans between the Bank and its related companies and their movements are as follows:

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2023			Balance - end of period
	Balance - beginning of period	Increase	Decrease	
Parent company				
Loans				
TISCO Financial Group Plc.	550,000	-	(550,000)	-
Related companies				
Interbank and money market items (assets):				
TISCO Securities Co., Ltd.	100,000	-	(100,000)	-

During the periods, the Bank had significant business transactions with related parties. Significant related party transactions are summarised below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March	
	2023	2022
<u>Transactions occurred during the periods</u>		
Parent company		
Interest income	720	407
Other income	180	180
Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses	373,750	358,750
Interest expenses	273	221
Other expenses	2,509	2,509
Related companies		
Interest income	481	941
Insurance service income	16,249	15,310
Other income	15,005	14,333
Expenses involving loans	230,159	223,600
Computer system advisory service expenses	163,500	152,500
Training expenses	12,134	7,870
Interest expenses	1,748	556
Other expenses	7,758	8,955

(Unaudited but reviewed)

Directors' and key management's benefits

During the three-month periods ended 31 March 2023 and 2022, the Bank had short-term benefit expenses and post-employment benefit expenses to its directors and key management as follows:

(Unit: Million Baht)

For the three-month periods
ended 31 March

	2023	2022
Short-term benefits	25	23
Post-employment benefits	5	4
Total	30	27

3.20 Segment information

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

Revenue and profit information regarding the Bank's operating segments for the three-month periods ended 31 March 2023 and 2022 is as follows:

(Unit: Million Baht)

For the three-month period ended 31 March 2023

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
Revenue:						
External customers	2,801	482	148	3,431	-	3,431
Inter-segment	-	-	918	918	(918)	-
Total revenue	2,801	482	1,066	4,349	(918)	3,431
Operating results:						
Net interest income	2,408	463	112	2,983	-	2,983
Net fee and service income	350	34	(5)	379	-	379
Other operating income	43	(15)	959	987	(918)	69
Total operating income	2,801	482	1,066	4,349	(918)	3,431
Premises and equipment expenses and amortisation	(64)	(7)	(228)	(299)	-	(299)
Other operating expenses	(1,655)	(209)	(693)	(2,557)	918	(1,639)
Expected credit loss	(342)	20	288	(34)	-	(34)
Total operating expenses	(2,061)	(196)	(633)	(2,890)	918	(1,972)
Segment profit before income tax expenses	740	286	433	1,459	-	1,459
Income tax expenses						(290)
Profit for the period						1,169

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 31 March 2022

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
Revenue:						
External customers	2,830	355	29	3,214	-	3,214
Inter-segment	-	-	880	880	(880)	-
Total revenue	2,830	355	909	4,094	(880)	3,214
Operating results:						
Net interest income	2,408	318	(1)	2,725	-	2,725
Net fee and service income	374	34	(5)	403	-	403
Other operating income	48	3	915	966	(880)	86
Total operating income	2,830	355	909	4,094	(880)	3,214
Premises and equipment expenses and amortisation	(60)	(6)	(219)	(285)	-	(285)
Other operating expenses	(1,633)	(160)	(666)	(2,459)	880	(1,579)
Expected credit loss	72	13	(89)	(4)	-	(4)
Total operating expenses	(1,621)	(153)	(974)	(2,748)	880	(1,868)
Segment profit before income tax expenses	1,209	202	(65)	1,346	-	1,346
Income tax expenses						(267)
Profit for the period						1,079

Total assets information regarding the Bank's operating segments as at 31 March 2023 and 31 December 2022 is as follows:

(Unit: Million Baht)

As at 31 March 2023

	Retail banking	Corporate banking	Treasury investment and others	Total segments
Segment total assets	167,894	45,813	43,451	257,158
Premises and equipment - net	17	2	679	698

(Unit: Million Baht)

As at 31 December 2022

	Retail banking	Corporate banking	Treasury investment and others	Total segments
Segment total assets	169,060	44,150	37,705	250,915
Premises and equipment - net	17	2	683	702

3.21 Commitments and contingent liabilities**3.21.1 Avals, guarantees and commitments**

(Unit: Thousand Baht)

	As at	
	31 March 2023	31 December 2022
Avals to bills	230,502	182,479
Other guarantees	1,764,887	1,840,962
Undrawn client overdraft facilities	230,000	230,000
Foreign exchange contracts	1,709,236	1,739,526
Others	2,791,585	3,008,291
Total	6,726,210	7,001,258

3.21.2 Litigation

As at 31 March 2023 and 31 December 2022, the Bank has been sued for compensation totalling approximately Baht 192 million and Baht 212 million, respectively. Final judgements have not yet been reached in respect of these cases. The management of the Bank believes that no material loss will be incurred as a result of the mentioned lawsuits. The management has exercised judgments in assessing the possible loss to the Bank and recorded the amount under “Provisions” as presented in Note 3.11 to the interim financial statements.

3.21.3 Other commitments

The Bank has commitments in relation to computer service agreements with a related party and other companies, whereby it is to pay both fixed fees and service fees which vary according to the quantity and type of services, as stipulated in the agreements.

3.22 Fair value of financial instruments

3.22.1 As at 31 March 2023 and 31 December 2022, the Bank has financial assets and liabilities that are measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	As at 31 March 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity instruments	941	6	-	935	941
Investments - debt instruments	3,439	-	3,412	27	3,439
<u>Financial liabilities measured at fair value</u>					
Derivatives liabilities					
Foreign exchange contracts	73	-	73	-	73

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2022

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets measured at fair value</u>					
Financial assets measured at fair value through profit or loss					
Equity instruments	941	6	-	935	941
Derivatives assets					
Foreign exchange contracts	147	-	147	-	147
Investments - debt instruments	3,240	-	3,216	24	3,240

Apart from the above financial assets and liabilities presented at fair value, the Bank has other financial assets and liabilities presented at cost but are subject to disclosure at fair value. However, since the majority of the Bank's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, fair value of financial instruments carried at cost is not expected to be materially different from the amounts presented in the statement of financial position, except for the following financial assets and liabilities for which book value is materially different from fair value.

(Unit: Million Baht)

As at

	31 March 2023		31 December 2022	
	Book value	Fair value	Book value	Fair value
<u>Financial assets</u>				
Loans to customers and accrued interest receivables				
	204,670	208,648	203,982	210,004
<u>Financial liabilities</u>				
Debts issued and borrowings	7,876	7,517	7,877	7,488

During the current period, there were no changes in approaches or assumptions used in determining fair value of financial instruments and there were no transfers within the fair value hierarchy.

4. Subsequent events

On 17 April 2023, the 2023 Annual General Meeting of the shareholders of the Bank passed a resolution approving a dividend payment of Baht 0.80 per share to holders of both ordinary shares and preference shares listed in the share register as at 24 April 2023 in respect of the operating results for the year 2022. The dividend is to be paid on 10 May 2023 and will be recorded in the accounts in the second quarter of year 2023.

5. Reclassification

The Bank has reclassified some items in the statement of comprehensive income for the three-month period ended 31 March 2022 in order to correspond to the classification in the current period. The reclassification does not impact profit or equity as previously reported, as follows:

	(Unit: Thousand Baht)	
	For the three-month period ended 31 March 2022	
	As reclassified	As previously reported
Statement of comprehensive income		
Net fee and service income		
Fee and service income	424,624	428,383
Operating expenses		
Other operating expenses	141,326	145,085

6. Approval of interim financial information

This interim financial information was authorised for issue by the Bank's Audit Committee on 11 May 2023.