

TISCO Bank Public Company Limited  
Review report and interim financial information  
30 September 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 30 September 2023, the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023, the related statements of changes in equity and cash flows for the nine-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: 10 November 2023

**TISCO Bank Public Company Limited**

**Statement of financial position**

**As at 30 September 2023**

(Unit: Thousand Baht)

	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash		791,398	1,000,283
Interbank and money market items - net	3.1, 3.7	33,293,174	39,069,597
Financial assets measured at fair value through profit or loss	3.2	1,041,636	940,631
Derivatives assets	3.3	-	147,489
Investments - net	3.4, 3.7	4,314,476	3,239,972
Loans to customers and accrued interest receivables	3.5, 3.7		
Loans to customers		245,160,841	228,756,963
Accrued interest receivables and undue interest income		1,678,945	1,473,765
Total loans to customers and accrued interest receivables		246,839,786	230,230,728
Less: Deferred revenue		(15,566,699)	(15,566,094)
Less: Allowance for expected credit loss	3.6	(9,705,289)	(10,682,559)
Total loans to customers and accrued interest receivables - net		221,567,798	203,982,075
Properties foreclosed - net		26,538	6,476
Investment properties		28,152	28,152
Premises and equipment - net		731,799	701,655
Right-of-use assets - net		418,948	294,841
Intangible assets - net		17,447	19,605
Deferred tax assets	3.18	280,398	186,494
Other assets	3.8	971,455	1,297,445
<b>Total assets</b>		<b>263,483,219</b>	<b>250,914,715</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2023**

(Unit: Thousand Baht)

	Note	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Deposits	3.9	202,313,675	189,834,243
Interbank and money market items		6,813,449	6,519,575
Liabilities payable on demand		205,477	256,708
Derivatives liabilities	3.3	167,034	-
Debts issued and borrowings	3.10	7,876,122	7,876,919
Lease liabilities		415,359	289,593
Provisions	3.11	1,015,736	853,703
Accrued interest payable		1,138,335	545,034
Income tax payable		299,054	663,585
Dividend payable		-	3,372,938
Other liabilities	3.12	5,511,339	4,768,079
<b>Total liabilities</b>		<b>225,755,580</b>	<b>214,980,377</b>

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

**TISCO Bank Public Company Limited**  
**Statement of financial position (continued)**  
**As at 30 September 2023**

(Unit: Thousand Baht)

	Note	30 September 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
<b>Equity</b>			
Share capital			
Registered			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Issued and fully paid-up			
104 preference shares of Baht 10 each		1	1
921,567,588 ordinary shares of Baht 10 each		9,215,676	9,215,676
		<u>9,215,677</u>	<u>9,215,677</u>
Share premium on ordinary shares		2,543,024	2,543,024
Other components of equity		292,660	300,977
Retained earnings			
Appropriated - statutory reserve		984,000	984,000
Unappropriated		24,692,278	22,890,660
<b>Total equity</b>		<u>37,727,639</u>	<u>35,934,338</u>
<b>Total liabilities and equity</b>		<u>263,483,219</u>	<u>250,914,715</u>

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

  
 Mr. Sakchai Peechapat

(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 30 September 2023**

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

	Note	2023	2022
<b>Profit or loss:</b>			
Interest income	3.14	4,329,975	3,394,527
Interest expenses	3.15	(1,068,963)	(508,503)
<b>Net interest income</b>		<b>3,261,012</b>	<b>2,886,024</b>
Fee and service income		396,703	453,098
Fee and service expenses		(23,882)	(23,733)
<b>Net fee and service income</b>	3.16	<b>372,821</b>	<b>429,365</b>
Net gain (loss) on financial instruments measured at fair value through profit or loss		(11,603)	24,734
Net gain on investments		741	487
Penalty fee income from loans		27,076	30,327
Other operating income		29,183	34,625
<b>Total operating income</b>		<b>3,679,230</b>	<b>3,405,562</b>
<b>Operating expenses</b>			
Employee expenses		830,446	834,281
Premises and equipment expenses		296,419	277,881
Taxes and duties		87,313	61,779
Intercompany supporting fee expenses	3.19	741,138	618,091
Other operating expenses		147,820	147,279
<b>Total operating expenses</b>		<b>2,103,136</b>	<b>1,939,311</b>
Expected credit loss	3.17	12,897	9,518
<b>Profit from operations before income tax expenses</b>		<b>1,563,197</b>	<b>1,456,733</b>
Income tax expenses	3.18	313,010	291,119
<b>Profit for the period</b>		<b>1,250,187</b>	<b>1,165,614</b>

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 September 2023**

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

	Note	2023	2022
<b>Other comprehensive income:</b>			
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>			
Gain (loss) on valuation of investments in debt instruments measured at fair value through other comprehensive income		(7,239)	310
Income tax effects		1,448	(62)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(5,791)	248
<b>Other comprehensive income for the period (loss)</b>		(5,791)	248
<b>Total comprehensive income for the period</b>		1,244,396	1,165,862
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)		1.36	1.26

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income**

**For the nine-month period ended 30 September 2023**

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

	Note	2023	2022
<b>Profit or loss:</b>			
Interest income	3.14	12,190,887	9,853,947
Interest expenses	3.15	(2,822,258)	(1,474,405)
<b>Net interest income</b>		<b>9,368,629</b>	<b>8,379,542</b>
Fee and service income		1,173,807	1,279,811
Fee and service expenses		(69,100)	(73,302)
<b>Net fee and service income</b>	3.16	<b>1,104,707</b>	<b>1,206,509</b>
Net gain on financial instruments measured at fair value through profit or loss		73,907	161,070
Net gain on investments		4,814	1,139
Penalty fee income from loans		86,503	98,324
Other operating income		113,172	116,125
<b>Total operating income</b>		<b>10,751,732</b>	<b>9,962,709</b>
<b>Operating expenses</b>			
Employee expenses		2,362,156	2,455,475
Premises and equipment expenses		889,071	841,438
Taxes and duties		243,984	175,469
Intercompany supporting fee expenses	3.19	1,996,907	1,821,144
Other operating expenses		545,655	410,616
<b>Total operating expenses</b>		<b>6,037,773</b>	<b>5,704,142</b>
Expected credit loss	3.17	64,728	45,743
<b>Profit from operations before income tax expenses</b>		<b>4,649,231</b>	<b>4,212,824</b>
Income tax expenses	3.18	928,111	839,731
<b>Profit for the period</b>		<b>3,721,120</b>	<b>3,373,093</b>

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

(Unaudited but reviewed)

**TISCO Bank Public Company Limited**

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2023**

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

	Note	2023	2022
<b>Other comprehensive income:</b>			
<b><i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i></b>			
Loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(8,655)	(7,751)
Income tax effects		1,731	1,550
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(6,924)	(6,201)
<b><i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i></b>			
Actuarial gain (loss)		(28,517)	73,333
Income tax effects		5,703	(14,667)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax (loss)		(22,814)	58,666
<b>Other comprehensive income for the period (loss)</b>		(29,738)	52,465
<b>Total comprehensive income for the period</b>		3,691,382	3,425,558
<b>Earnings per share</b>			
Basic earnings per share (Baht per share)		4.04	3.66

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 nine-month period ended 30 September 2023**

	(Unit: Thousand Baht)	
	2023	2022
<b>Cash flows from operating activities</b>		
Profit from operations before income tax	4,649,231	4,212,824
Adjustments to reconcile profit from operations before income tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	166,913	173,470
Expected credit loss	1,075,563	1,245,694
Other provisions	40,257	-
Reversal of allowance for impairment of properties foreclosed	(118)	(264)
Gain on disposal of investments in securities	(840)	(276)
Unrealised (gain) loss on foreign exchange transactions and trading derivatives	190,176	(68,568)
Gain on financial instruments measured at fair value through profit or loss	(101,005)	(156,105)
Gain on disposal/write-off of equipment and intangible assets	(248)	-1,262
Gain on disposal of properties foreclosed	(14,553)	(32,675)
Employee benefit expenses	84,993	58,268
Decrease in accrued income	23,001	6,970
Increase in accrued expenses	850,059	803,972
Net interest income	(9,368,629)	(8,379,542)
Dividend income	(48,311)	(48,144)
Cash received on interest income	11,912,098	9,830,814
Cash paid on interest expenses	(1,514,862)	(1,138,662)
Cash received on dividend income	48,311	48,144
Cash paid on income tax	(1,378,763)	(936,770)
Profit from operating activities before changes in operating assets and liabilities	6,613,273	5,617,888
Operating assets (increase) decrease		
Interbank and money market items	5,776,456	(4,014,606)
Loans to customers	(18,367,732)	(12,797,557)
Properties foreclosed	(19,944)	32,763
Other assets	311,341	92,695

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 nine-month period ended 30 September 2023**

	(Unit: Thousand Baht)	
	2023	2022
Operating liabilities increase (decrease)		
Deposits	12,479,432	16,034,334
Interbank and money market items	293,874	(3,322,069)
Liabilities payable on demand	(51,231)	(5,576)
Short-term debts issued and borrowings	(797)	-
Provision for long-term employee benefits	(13,133)	(11,692)
Other liabilities	(684,343)	(506,241)
<b>Net cash flows from operating activities</b>	<b>6,337,196</b>	<b>1,119,939</b>
<b>Cash flows from investing activities</b>		
Cash paid for purchase of investments in securities	(5,769,080)	(7,708,911)
Cash received from disposal of investments in securities	4,693,924	9,039,551
Cash paid for purchase of building improvements, equipment and vehicles	(69,669)	(28,006)
Cash paid for purchase of intangible assets	(1,829)	(2,337)
Cash received from disposal of equipment	664	1,153
<b>Net cash flows from (used in) investing activities</b>	<b>(1,145,990)</b>	<b>1,301,450</b>
<b>Cash flows from financing activities</b>		
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	(128,724)	(125,897)
Dividend paid	(5,271,367)	(1,999,802)
<b>Net cash flows used in financing activities</b>	<b>(5,400,091)</b>	<b>(2,545,699)</b>
<b>Net decrease in cash</b>	<b>(208,885)</b>	<b>(124,310)</b>
Cash at beginning of the period	1,000,283	1,099,506
<b>Cash at end of the period</b>	<b>791,398</b>	<b>975,196</b>
	-	-
<b>Supplemental cash flows information</b>		
Non-cash transactions		
Right-of-use assets	247,925	39,072
Transfer-in of properties foreclosed in settlement of loans to customers	655,184	1,140,644

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 nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Other components of equity									
	Issued and fully paid-up			Share premium on ordinary shares	Surplus (deficit) on changes in value of investments measured at fair value through other comprehensive income	Surplus on revaluation of assets	Total	Retained earnings		Total
	Preference shares	Ordinary shares						Appropriated	Unappropriated	
	1	9,215,676	2,543,024	104	302,536	302,640	984,000	21,619,444	34,664,785	
<b>Balance as at 1 January 2022</b>										
Profit for the period	-	-	-	-	-	-	-	3,373,093	3,373,093	
Other comprehensive income for the period (loss)	-	-	-	(6,201)	-	(6,201)	-	58,666	52,465	
Total comprehensive income for the period (loss)	-	-	-	(6,201)	-	(6,201)	-	3,431,759	3,425,558	
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(1,393)	(1,393)	-	1,741	348	
<b>Balance as at 30 September 2022</b>	<b>1</b>	<b>9,215,676</b>	<b>2,543,024</b>	<b>(6,097)</b>	<b>301,143</b>	<b>295,046</b>	<b>984,000</b>	<b>25,052,944</b>	<b>38,090,691</b>	
<b>Balance as at 1 January 2023</b>	<b>1</b>	<b>9,215,676</b>	<b>2,543,024</b>	<b>304</b>	<b>300,673</b>	<b>300,977</b>	<b>984,000</b>	<b>22,890,660</b>	<b>35,934,338</b>	
Dividend paid (Note 4)	-	-	-	-	-	-	-	(1,898,429)	(1,898,429)	
Profit for the period	-	-	-	-	-	-	-	3,721,120	3,721,120	
Other comprehensive income for the period (loss)	-	-	-	(6,924)	-	(6,924)	-	(22,814)	(29,738)	
Total comprehensive income for the period (loss)	-	-	-	(6,924)	-	(6,924)	-	3,698,306	3,691,382	
Transfer surplus on revaluation of assets to retained earnings	-	-	-	-	(1,393)	(1,393)	-	1,741	348	
<b>Balance as at 30 September 2023</b>	<b>1</b>	<b>9,215,676</b>	<b>2,543,024</b>	<b>(6,620)</b>	<b>299,280</b>	<b>292,660</b>	<b>984,000</b>	<b>24,692,278</b>	<b>37,727,639</b>	

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 and nine-month periods ended 30 September 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 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. 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 Bank believes that the adoption of these amendments will not have any significant impact on the Bank's financial statements.

### **1.5 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 30 September 2023, the Bank has 53 branches in Thailand (31 December 2022: 54 branches).

### 2.2 Related party transactions

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

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

## 3. Supplemental information

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

As at 30 September 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	
	30 September 2023	31 December 2022
Commercial banks	16,900,000	18,600,000
Specialised Financial Institutions	14,300,000	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	
	30 September 2023	31 December 2022
Commercial banks	17,599,600	18,733,000
Specialised Financial Institutions	14,461,500	18,167,700

(Unaudited but reviewed)

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

#### 3.2.1 Financial assets measured at fair value through profit or loss classified by type of investments

(Unit: Thousand Baht)

Investments	As at			
	30 September 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
<b>Others</b>				
Domestic marketable equity instruments	9,320	4,620	9,320	6,000
Domestic non-marketable equity instruments	220,274	1,037,016	220,274	934,631
	229,594	1,041,636	229,594	940,631
Add: Allowance for changes in value	812,042		711,037	
Total	1,041,636		940,631	

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

As at 30 September 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			
	30 September 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Companies with weak financial positions and poor operating results	9,270	-	9,270	3,801

### 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					
	30 September 2023			31 December 2022		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Exchange rate	-	167,034	2,402,535	147,489	-	1,739,526
Total	-	167,034	2,402,535	147,489	-	1,739,526

All counterparties of these derivatives transactions are financial institutions.

(Unaudited but reviewed)

### 3.4 Investments

#### 3.4.1 Investments classified by type of investments

As at 30 September 2023 and 31 December 2022, investments classified by type of investments are as follows:

(Unit: Thousand Baht)

	As at			
	30 September 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>				
Government and state enterprise securities				
	4,298,752	4,287,936	3,215,592	3,215,602
Private sector debt instruments				
	51,460	26,540	51,460	24,370
	4,350,212	4,314,476	3,267,052	3,239,972
Less: Allowance for changes in value	(35,736)		(27,080)	
Total	4,314,476		3,239,972	
Allowance for expected credit loss	27,460		27,460	
<b>Investments in debt instruments measured at amortised cost</b>				
Investments in receivables				
	8,724		8,896	
Less: Allowance for expected credit loss	(8,724)		(8,896)	
Total	-		-	
Total investments	4,314,476		3,239,972	

#### 3.4.2 Investments subject to restrictions

(Unit: Million Baht)

Type of investments	As at		Type of restrictions
	30 September 2023	31 December 2022	
Government debt securities	1	2	Pledge for electricity usage

(Unaudited but reviewed)

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

As at 30 September 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					
	30 September 2023			31 December 2022		
	Cost	Fair value	Allowance for expected credit loss	Cost	Fair value	Allowance for expected credit loss
Companies having problems with debt repayment or in default	51,460	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	
	30 September 2023	31 December 2022
<b>Loans to customers</b>		
Overdrafts	5,256	6,880
Loans	124,814,080	105,906,624
Hire purchase receivables	120,341,505	122,843,459
Less: Deferred revenue	(15,566,699)	(15,566,094)
Total loans to customers	229,594,142	213,190,869
Add: Accrued interest receivables and undue interest income	1,678,945	1,473,765
Total loans to customers and accrued interest receivables	231,273,087	214,664,634
Less: Allowance for expected credit loss	(9,705,289)	(10,682,559)
Loans to customers and accrued interest receivables - net	221,567,798	203,982,075

(Unaudited but reviewed)

### 3.5.2 Classified by loan classification

(Unit: Thousand Baht)

	As at			
	30 September 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)	205,020,046	5,399,897	189,142,376	6,631,970
Financial assets with significant increase in credit risk (Under-performing)	21,614,914	2,765,210	21,495,534	2,758,059
Financial assets that are credit-impaired (Non-performing)	4,638,127	1,540,182	4,026,724	1,292,530
Total	<u>231,273,087</u>	<u>9,705,289</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 30 September 2023, the Bank's outstanding loan balance under the relief measures totalled Baht 4,789 million, for which the Bank complies with the staging assessment and the setting aside of provision in accordance with the relevant financial reporting standards.

(Unaudited but reviewed)

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

As at 30 September 2023 and 31 December 2022, loans to customers classified by loan classification and type of debtors are as follows:

(Unit: Million Baht)

	As at 30 September 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)	91,246	2,219	27,427	969	86,347	2,212	205,020	5,400
Financial assets with significant increase in credit risk (Under-performing)	12,013	1,423	6,735	668	2,867	674	21,615	2,765
Financial assets that are credit-impaired (Non-performing)	2,293	759	1,246	451	1,099	330	4,638	1,540
<b>Total</b>	<b>105,552</b>	<b>4,401</b>	<b>35,408</b>	<b>2,088</b>	<b>90,313</b>	<b>3,216</b>	<b>231,273</b>	<b>9,705</b>

(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
<b>Total</b>	<b>108,068</b>	<b>5,012</b>	<b>31,499</b>	<b>1,991</b>	<b>75,098</b>	<b>3,680</b>	<b>214,665</b>	<b>10,683</b>

(Unaudited but reviewed)

**3.5.4 Hire purchase receivables**

As at 30 September 2023, receivables of the Bank under hire purchase agreements amount to Baht 105,552 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 30 September 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	36,700	73,007	3,553	7,081	120,341
Less: Deferred revenue <sup>(1)</sup>	(4,343)	(6,045)	(143)	(4,862)	(15,393)
Present value of minimum lease payment from agreements	32,357	66,962	3,410	2,219	104,948
Accrued interest receivables	530	-	-	74	604
Total	<u>32,887</u>	<u>66,962</u>	<u>3,410</u>	<u>2,293</u>	<u>105,552</u>
Allowance for expected credit loss					(4,401)
Net hire purchase receivables					<u>101,151</u>

(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 <sup>(1)</sup>	(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	<u>33,462</u>	<u>68,749</u>	<u>3,759</u>	<u>2,098</u>	<u>108,068</u>
Allowance for expected credit loss					(5,012)
Net hire purchase receivables					<u>103,056</u>

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

**3.5.5 Troubled debt restructuring**

As at 30 September 2023 and 31 December 2022, the Bank has outstanding balances with troubled debt restructuring debtors as follows:

	As at			
	30 September 2023		31 December 2022	
	Number of debtors	Outstanding balances (Million Baht)	Number of debtors	Outstanding balances (Million Baht)
Balances of restructured debts	2,296	1,332	1,531	1,021

**3.6 Allowance for expected credit loss**

As at 30 September 2023, the Bank has allowance for expected credit loss classified by type of financial assets as follows:

	(Unit: Thousand Baht)				Total
	For the nine-month period ended 30 September 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	
<b>Interbank and money market items (assets)</b>					
Balance - beginning of period	937	-	-	-	937
Changes from revaluation of allowance for credit loss	(502)	-	-	-	(502)
Balance - end of period	435	-	-	-	435
<b>Investments in debt instruments measured at fair value through other comprehensive income</b>					
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 nine-month period ended 30 September 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
<b>Investments in debt instruments measured at amortised cost</b>					
Balance - beginning of period	-	-	8,896	-	8,896
Changes from revaluation of allowance for credit loss	-	-	(172)	-	(172)
Balance - end of period	-	-	8,724	-	8,724
<b>Loans to customers and accrued interest receivables</b>					
Balance - beginning of period	6,631,970	2,758,059	1,292,530	-	10,682,559
Changes from transfers among stages	(84,970)	(189,905)	274,875	-	-
Changes from revaluation of allowance for credit loss	(2,090,059)	62,438	2,050,871	-	23,250
New financial assets purchased or acquired	1,575,806	412,078	116,203	-	2,104,087
Derecognition	(632,850)	(277,460)	(129,361)	-	(1,039,671)
Write-off	-	-	(2,064,936)	-	(2,064,936)
Balance - end of period	5,399,897	2,765,210	1,540,182	-	9,705,289
<b>Other assets - accrued interest receivables on investments</b>					
Balance - beginning of period	-	-	556	-	556
Changes from revaluation of allowance for credit loss	-	-	269	-	269
Balance - end of period	-	-	825	-	825
<b>Other assets - other receivables</b>					
Balance - beginning of period	-	-	-	4,934	4,934
Changes from revaluation of allowance for credit loss	-	-	-	(680)	(680)
New financial assets purchased or acquired	-	-	-	73	73
Derecognition	-	-	-	(370)	(370)
Write-off	-	-	-	(103)	(103)
Balance - end of period	-	-	-	3,854	3,854

### 3.7 Classification of assets

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

As at 30 September 2023 and 31 December 2022, classification of financial assets is as follows:

(Unit: Thousand Baht)

	As at 30 September 2023				
	Financial assets				
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items				
Financial assets with no significant increase in credit risk (Performing)	33,293,609	4,287,936	-	205,020,046	242,601,591
Financial assets with significant increase in credit risk (Under-performing)	-	-	-	21,614,914	21,614,914
Financial assets that are credit-impaired (Non-performing)	-	26,540	8,724	4,638,127	4,673,391
<b>Total</b>	<b>33,293,609</b>	<b>4,314,476</b>	<b>8,724</b>	<b>231,273,087</b>	<b>268,889,896</b>

(Unit: Thousand Baht)

	As at 31 December 2022				
	Financial assets				
	Debt instruments measured at fair value through other comprehensive income		Debt instruments measured at amortised cost	Loans to customers and accrued interest receivables	Total
	Interbank and money market items				
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
<b>Total</b>	<b>39,070,534</b>	<b>3,239,972</b>	<b>8,896</b>	<b>214,664,634</b>	<b>256,984,036</b>

**3.7.2 Credit-impaired loans to customers**

The Bank has credit-impaired loans in accordance with the BOT's criteria which consist of non-performing loans to customers, excluding interbank and money market items and accrued interest receivables, as follows:

(Unit: Million Baht)

	As at	
	30 September 2023	31 December 2022
Non-performing loans to customers	4,419	3,831
Total loans to customers	229,594	213,191
Percentage of non-performing loans to customers	1.92	1.80

**3.7.3 Loans to customers with weak financial positions and poor operating results**

	Loans to customers and accrued interest receivables						Allowance for expected credit loss provided in the accounts	
	Number of debtors as at		as at		Collateral value as at		as at	
	30	31	30	31	30	31	30	31
	September 2023	December 2022	September 2023	December 2022	September 2023	December 2022	September 2023	December 2022
		(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
1. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET and under rehabilitation	1	1	357	387	290	292	357	387
2. Non-listed companies with similar operating results and financial positions to listed companies vulnerable to delisting from the SET	9	11	1,090	1,784	674	908	42	185
<b>Total</b>	<b>10</b>	<b>12</b>	<b>1,447</b>	<b>2,171</b>	<b>964</b>	<b>1,200</b>	<b>399</b>	<b>572</b>

(Unaudited but reviewed)

### 3.8 Other assets

(Unit: Thousand Baht)

As at

	30 September 2023	31 December 2022
Value added tax - net	344,082	503,682
Accrued interest receivables	9,783	2,456
Fee and service receivables	108,989	131,990
Deposits	59,090	56,714
Other receivables	294,366	401,822
Other assets	155,145	200,781
Total other assets	971,455	1,297,445

### 3.9 Deposits

(Unit: Thousand Baht)

As at

	30 September 2023	31 December 2022
Deposits		
Current accounts	2,149,400	2,779,260
Saving accounts	31,767,220	42,929,520
Fixed accounts		
- not over 6 months	14,552,169	12,296,262
- over 6 months but not over 1 year	20,963,550	15,578,457
- over 1 year	26,155,608	15,050,668
Certificates of deposits/negotiable certificates of deposits	106,725,728	101,200,076
Total	202,313,675	189,834,243

### 3.10 Debts issued and borrowings

(Unit: Thousand Baht)

As at

	30 September 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	7,876,122	7,876,919

(Unaudited but reviewed)

**3.10.1 Subordinated unsecured debentures**

As at 30 September 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
	30 September 2023	31 December 2022		30 September 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 30 September 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
		30 September 2023	31 December 2022		30 September 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	
	30 September 2023	31 December 2022
Allowance for expected credit loss on loan commitments and financial guarantees	31,497	10,098
Provision for long-term employee benefits	943,982	843,605
Other provisions	40,257	-
Total provisions	1,015,736	853,703

**3.12 Other liabilities**

(Unit: Thousand Baht)

	As at	
	30 September 2023	31 December 2022
Withholding income tax and other tax payables	121,509	262,745
Accrued insurance premium	148,364	231,333
Deferred income	1,383,925	1,363,145
Accrued expenses	2,535,076	1,685,017
Suspense creditors	845,253	803,371
Other liabilities	477,212	422,468
Total other liabilities	5,511,339	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 30 September 2023 and 31 December 2022, the Bank has accrued bonus under this scheme amounting to Baht 108 million and Baht 135 million, respectively, and recognised expenses in profit or loss during the nine-month periods ended 30 September 2023 and 2022 amounting to Baht 34 million and Baht 32 million, respectively.

**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 30 September 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	
	30 September 2023	31 December 2022
<b><u>Common Equity Tier I capital</u></b>		
Issued and fully paid-up share capital	9,215,676	9,215,676
Premium on share capital	2,543,024	2,543,024
Statutory reserve	984,000	984,000
Net profits after appropriation	22,153,406	20,417,489
Other components of equity	292,660	300,977
Less: Deductions from Common Equity Tier I items	(313,795)	(229,831)
<b>Total Common Equity Tier I capital</b>	<b>34,874,971</b>	<b>33,231,335</b>
<b><u>Financial Instrument Tier I capital</u></b>		
Issued and fully paid-up share capital - non-cumulative preference shares	1	1
<b>Total Tier I capital</b>	<b>34,874,972</b>	<b>33,231,336</b>
<b><u>Tier II capital</u></b>		
Long-term subordinated debentures	5,040,000	5,040,000
Surplus of provision	826,087	765,917
Reserve for loans classified as normal	571,173	520,205
<b>Total Tier II capital</b>	<b>6,437,260</b>	<b>6,326,122</b>
<b>Total capital funds</b>	<b>41,312,232</b>	<b>39,557,458</b>

(Unit: Percent)

Capital fund ratios	As at			
	30 September 2023		31 December 2022	
	The Bank	Requirement	The Bank	Requirement
Common Equity Tier I capital to risk assets	19.02	7.00	19.63	7.00
Tier I capital to risk assets	19.02	8.50	19.63	8.50
Total capital to risk assets	22.53	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 30 June 2023 on its website ([www.tisco.co.th](http://www.tisco.co.th)) in October 2023.

**3.14 Interest income**

Interest income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Interbank and money market items	195,211	44,444	498,346	114,846
Investments in debt securities	17,331	11,389	45,494	39,233
Loans to customers	2,637,372	1,838,102	7,224,425	5,182,792
Hire purchase receivables	1,480,061	1,500,592	4,422,622	4,517,076
Total interest income	<u>4,329,975</u>	<u>3,394,527</u>	<u>12,190,887</u>	<u>9,853,947</u>

Interest income for the three-month and nine-month periods ended 30 September 2023 included interest income on credit-impaired financial assets amounting to Baht 72 million and Baht 257 million, respectively (2022: Baht 53 million and Baht 158 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 and nine-month periods ended 30 September 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Deposits	768,282	338,944	1,940,377	962,819
Interbank and money market items	1,145	779	3,134	2,571
Contribution fee to the Deposit Protection Agency and the Bank of Thailand	241,855	105,483	707,531	314,256
Issued debt securities				
- Subordinated debentures	46,437	52,033	137,798	160,210
- Unsubordinated debentures	8,822	8,822	26,178	27,055
Borrowings	228	229	677	681
Others	2,194	2,213	6,563	6,813
Total interest expenses	<u>1,068,963</u>	<u>508,503</u>	<u>2,822,258</u>	<u>1,474,405</u>

### 3.16 Net fee and service income

Net fee and service income in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Fee and service income				
- Acceptance, aval and guarantees	11,013	7,815	19,187	14,742
- Insurance service	271,263	327,025	805,101	894,155
- Others	114,427	118,258	349,519	370,914
Total fee and service income	396,703	453,098	1,173,807	1,279,811
Fee and service expenses	(23,882)	(23,733)	(69,100)	(73,302)
Net fee and service income	372,821	429,365	1,104,707	1,206,509

### 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 and nine-month periods ended 30 September 2023 and 2022 consisted of the following:

(Unit: Thousand Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Expected credit loss				
- Interbank and money market items (reversal)	(272)	-	(502)	262
- Investments in debt instruments measured at amortised cost (reversal)	(6)	(4)	(172)	(3,059)
- Investments in debt instruments measured at fair value through other comprehensive income and accrued interest receivables	91	91	269	285
- Loans to customers	3,216	2,338	77,494	39,193
- Other receivables (reversal)	(1,110)	(397)	(1,025)	154
(Gain) loss from the modification of terms				
- Loans to customers	5,839	1,008	(32,735)	1,528
Loan commitments and financial guarantees	5,139	6,482	21,399	7,380
Total	12,897	9,518	64,728	45,743

(Unaudited but reviewed)

### 3.18 Income tax expenses

Income tax expenses of the Bank for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Current income tax:				
Income tax expenses for the period	327,607	316,163	1,014,233	849,906
Deferred tax:				
Deferred tax on temporary differences and reversion of temporary differences	(14,597)	(25,044)	(86,122)	(10,175)
Income tax expenses reported in the statement of comprehensive income	<u>313,010</u>	<u>291,119</u>	<u>928,111</u>	<u>839,731</u>

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2023 and 2022 is as follows:

	(Unit: Thousand Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2023	2022	2023	2022
Accounting profit before tax	<u>1,563,197</u>	<u>1,456,733</u>	<u>4,649,231</u>	<u>4,212,824</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	312,639	291,347	929,846	842,565
Tax effect of net tax-exempt income, net disallowed expenses and additional expense deductions allowed	<u>371</u>	<u>(228)</u>	<u>(1,735)</u>	<u>(2,834)</u>
Income tax expenses reported in the statement of comprehensive income	<u>313,010</u>	<u>291,119</u>	<u>928,111</u>	<u>839,731</u>
Weighted average tax rate	20.02%	19.98%	19.96%	19.93%

(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  
nine-month periods ended

	As at		30 September	
	30 September	31 December		
	2023	2022	2023	2022
Allowance for expected credit loss	14,265	10,283	3,982	1,003
Allowance for impairment of investments	2,589	2,589	-	-
Allowance for impairment of properties foreclosed	-	24	(24)	(783)
Non-accrual of interest income	3,614	3,894	(280)	(861)
Depreciation of assets	(6,310)	(13,923)	7,613	2,961
Surplus on revaluation of assets	(74,820)	(75,168)	-	-
(Surplus) deficit on changes in value of investments	1,655	(76)	-	-
Gain on changes in value of investments	(162,408)	(142,208)	(20,200)	(31,221)
Deferred commissions and direct expenses incurred at the initiation of hire purchase	(37,837)	(75,391)	37,554	70,163
Unearned interest income on hire purchase	4,587	13,226	(8,639)	(24,225)
Loss on disposal of properties foreclosed	17,583	9,284	8,299	(20,041)
Accrued expenses	213,788	213,788	-	-
Employee benefit expenses	188,796	168,721	14,372	9,316
Others	114,896	71,451	43,445	3,863
<b>Deferred tax assets</b>	<b>280,398</b>	<b>186,494</b>	<b>86,122</b>	<b>10,175</b>

### 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 30 September 2023 and 31 December 2022, the balances of accounts between the Bank and its related companies are as follows:

	(Unit: Thousand Baht)	
	As at	
	30 September 2023	31 December 2022
<b><u>Outstanding balances</u></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.		
Loans to customers	4,710,000	550,000
Other assets	165	-
Deposits	77,752	27,244
Lease liabilities	2,504	9,928
Accrued interest payable	71	11
Dividend payable	-	3,372,521
Other liabilities	161,250	119,625
<b>Related companies</b>		
Interbank and money market items (assets)		
TISCO Securities Co., Ltd.	-	100,000
Other assets		
TISCO Securities Co., Ltd.	324	93
TISCO Asset Management Co., Ltd.	3,460	3,240
Hi-Way Co., Ltd.	1,149	750
TISCO Insurance Solution Co., Ltd.	11,405	15,339
TISCO Information Technology Co., Ltd.	84	-
TISCO Learning Center Co., Ltd.	41	-
All-Ways Co., Ltd.	36	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	30 September 2023	31 December 2022
<b>Related companies (continued)</b>		
<b>Deposits</b>		
Hi-Way Co., Ltd.	103,693	204,620
TISCO Insurance Solution Co., Ltd.	429,039	540,470
TISCO Information Technology Co., Ltd.	520,458	444,074
TISCO Learning Center Co., Ltd.	91,218	74,549
All-Ways Co., Ltd.	261,515	244,579
Primus Leasing Co., Ltd.	32,897	32,897
TISCO Tokyo Leasing Co., Ltd.	2,820	2,808
<b>Interbank and money market items (liabilities)</b>		
TISCO Securities Co., Ltd.	191,901	388,880
TISCO Asset Management Co., Ltd.	47,204	147,251
<b>Lease liabilities</b>		
TISCO Securities Co., Ltd.	388	577
Hi-Way Co., Ltd.	3,114	3,597
<b>Accrued interest payable</b>		
TISCO Securities Co., Ltd.	294	17
TISCO Asset Management Co., Ltd.	55	8
Hi-Way Co., Ltd.	100	6
TISCO Insurance Solution Co., Ltd.	132	24
TISCO Information Technology Co., Ltd.	866	31
TISCO Learning Center Co., Ltd.	69	4
All-Ways Co., Ltd.	293	116
<b>Other liabilities</b>		
Hi-Way Co., Ltd.	279,920	214,840
TISCO Insurance Solution Co., Ltd.	11,007	13,334
TISCO Learning Center Co., Ltd.	1,393	3,007
All-Ways Co., Ltd.	8,883	5,342

(Unaudited but reviewed)

(Unit: Thousand Baht)

	As at	
	30 September 2023	31 December 2022
<b>Management - departmental managers upward</b>		
Loans <sup>(1)</sup>	14,973	9,675
<b>Directors and management - departmental managers upward</b>		
Deposits	243,430	196,190
<b>Companies which directors or their related persons have significant influence over</b>		
Deposits	1,215,510	796,166
<b>Related persons of directors and key management</b>		
Deposits	60,162	62,162
<b>Commitments - guarantees</b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	1,040	1,040
<b>Related companies</b>		
TISCO Securities Co., Ltd.	540	540
TISCO Asset Management Co., Ltd.	440	440
TISCO Insurance Solution Co., Ltd.	200	200
TISCO Information Technology Co., Ltd.	1,014	1,014
<b>Commitments - undrawn overdraft facilities</b>		
<b>Related companies</b>		
TISCO Securities Co., Ltd.	30,000	30,000
TISCO Asset Management Co., Ltd.	200,000	200,000
<b>Commitments - loan credit lines <sup>(2)</sup></b>		
<b>Parent company</b>		
TISCO Financial Group Plc.	9,500,000	9,500,000
<b>Related companies</b>		
TISCO Securities Co., Ltd. <sup>(3)</sup>	5,000,000	5,000,000
TISCO Asset Management Co., Ltd. <sup>(3)</sup>	500,000	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
<b>Commitments - financial guarantees</b>		
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 30 September 2023, the balances of loans between the Bank and its related companies and their movements are as follows:

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2023

	Balance - beginning of period	Increase	Decrease	Balance - end of period
<b>Parent company</b>				
Loans				
TISCO Financial Group Plc.	550,000	4,710,000	(550,000)	4,710,000
<b>Related companies</b>				
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 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
<b><u>Transactions occurred during the periods</u></b>				
<b>Parent company</b>				
Interest income	17,879	2,556	24,815	2,973
Other income	180	180	540	540
Risk and financial management fee expenses, human resources management fee expenses and office administration fee expenses	445,750	358,750	1,193,250	1,076,250
Interest expenses	107	182	545	763
Other expenses	2,509	2,509	7,526	7,526
<b>Related companies</b>				
Interest income	-	-	481	1,610
Insurance service income	10,996	16,060	40,925	48,180
Other income	12,413	12,420	39,682	37,385
Expenses involving loans	280,029	247,029	763,912	706,246
Computer system advisory service expenses	163,500	152,500	490,500	457,500
Training expenses	13,557	12,263	38,096	31,031
Interest expenses	3,316	806	7,529	2,109
Other expenses	9,994	8,094	25,429	26,426

(Unaudited but reviewed)

Directors' and key management's benefits

During the three-month and nine-month periods ended 30 September 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 30 September		For the nine-month periods ended 30 September	
	2023	2022	2023	2022
Short-term benefits	29	27	79	74
Post-employment benefits	5	5	14	13
<b>Total</b>	<b>34</b>	<b>32</b>	<b>93</b>	<b>87</b>

**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 and nine-month periods ended 30 September 2023 and 2022 is as follows:

	(Unit: Million Baht)					
	For the three-month period ended 30 September 2023					
	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	2,825	639	215	3,679	-	3,679
Inter-segment	-	-	896	896	(896)	-
<b>Total revenue</b>	<b>2,825</b>	<b>639</b>	<b>1,111</b>	<b>4,575</b>	<b>(896)</b>	<b>3,679</b>
<b>Operating results:</b>						
Net interest income	2,450	613	198	3,261	-	3,261
Net fee and service income	335	43	(5)	373	-	373
Other operating income	40	(17)	918	941	(896)	45
<b>Total operating income</b>	<b>2,825</b>	<b>639</b>	<b>1,111</b>	<b>4,575</b>	<b>(896)</b>	<b>3,679</b>
Premises and equipment expenses and amortisation	(61)	(7)	(229)	(297)	-	(297)
Other operating expenses	(1,761)	(267)	(674)	(2,702)	896	(1,806)
Expected credit loss	(852)	(17)	856	(13)	-	(13)
<b>Total operating expenses</b>	<b>(2,674)</b>	<b>(291)</b>	<b>(47)</b>	<b>(3,012)</b>	<b>896</b>	<b>(2,116)</b>
<b>Segment profit before income tax expenses</b>	<b>151</b>	<b>348</b>	<b>1,064</b>	<b>1,563</b>	<b>-</b>	<b>1,563</b>
Income tax expenses						(313)
<b>Profit for the period</b>						<b>1,250</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month period ended 30 September 2022

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	2,956	414	35	3,405	-	3,405
Inter-segment	-	-	825	825	(825)	-
<b>Total revenue</b>	<u>2,956</u>	<u>414</u>	<u>860</u>	<u>4,230</u>	<u>(825)</u>	<u>3,405</u>
<b>Operating results:</b>						
Net interest income	2,504	365	17	2,886	-	2,886
Net fee and service income	404	30	(5)	429	-	429
Other operating income	48	19	848	915	(825)	90
<b>Total operating income</b>	<u>2,956</u>	<u>414</u>	<u>860</u>	<u>4,230</u>	<u>(825)</u>	<u>3,405</u>
Premises and equipment expenses and amortisation	(56)	(6)	(220)	(282)	-	(282)
Other operating expenses	(1,687)	(184)	(610)	(2,481)	825	(1,656)
Expected credit loss	(303)	11	282	(10)	-	(10)
<b>Total operating expenses</b>	<u>(2,046)</u>	<u>(179)</u>	<u>(548)</u>	<u>(2,773)</u>	<u>825</u>	<u>(1,948)</u>
<b>Segment profit before income tax expenses</b>	<u>910</u>	<u>235</u>	<u>312</u>	<u>1,457</u>	<u>-</u>	<u>1,457</u>
Income tax expenses						(291)
<b>Profit for the period</b>						<u>1,166</u>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2023

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	8,473	1,658	621	10,752	-	10,752
Inter-segment	-	-	2,722	2,722	(2,722)	-
<b>Total revenue</b>	<b>8,473</b>	<b>1,658</b>	<b>3,343</b>	<b>13,474</b>	<b>(2,722)</b>	<b>10,752</b>
<b>Operating results:</b>						
Net interest income	7,311	1,595	463	9,369	-	9,369
Net fee and service income	1,012	109	(16)	1,105	-	1,105
Other operating income	150	(46)	2,896	3,000	(2,722)	278
<b>Total operating income</b>	<b>8,473</b>	<b>1,658</b>	<b>3,343</b>	<b>13,474</b>	<b>(2,722)</b>	<b>10,752</b>
Premises and equipment expenses and amortisation	(185)	(23)	(685)	(893)	-	(893)
Other operating expenses	(5,107)	(709)	(2,051)	(7,867)	2,722	(5,145)
Expected credit loss	(1,562)	(48)	1,545	(65)	-	(65)
<b>Total operating expenses</b>	<b>(6,854)</b>	<b>(780)</b>	<b>(1,191)</b>	<b>(8,825)</b>	<b>2,722</b>	<b>(6,103)</b>
<b>Segment profit before income tax expenses</b>	<b>1,619</b>	<b>878</b>	<b>2,152</b>	<b>4,649</b>	<b>-</b>	<b>4,649</b>
Income tax expenses						(928)
<b>Profit for the period</b>						<b>3,721</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended 30 September 2022

	Retail banking	Corporate banking	Treasury investment and others	Total segments	Eliminations	Financial statements
<b>Revenue:</b>						
External customers	8,631	1,103	229	9,963	-	9,963
Inter-segment	-	-	2,627	2,627	(2,627)	-
<b>Total revenue</b>	<b>8,631</b>	<b>1,103</b>	<b>2,856</b>	<b>12,590</b>	<b>(2,627)</b>	<b>9,963</b>
<b>Operating results:</b>						
Net interest income	7,335	1,025	20	8,380	-	8,380
Net fee and service income	1,135	87	(15)	1,207	-	1,207
Other operating income	161	(9)	2,851	3,003	(2,627)	376
<b>Total operating income</b>	<b>8,631</b>	<b>1,103</b>	<b>2,856</b>	<b>12,590</b>	<b>(2,627)</b>	<b>9,963</b>
Premises and equipment expenses and amortisation	(178)	(19)	(658)	(855)	-	(855)
Other operating expenses	(4,989)	(504)	(1,983)	(7,476)	2,627	(4,849)
Expected credit loss	(259)	52	161	(46)	-	(46)
<b>Total operating expenses</b>	<b>(5,426)</b>	<b>(471)</b>	<b>(2,480)</b>	<b>(8,377)</b>	<b>2,627</b>	<b>(5,750)</b>
<b>Segment profit before income tax expenses</b>	<b>3,205</b>	<b>632</b>	<b>376</b>	<b>4,213</b>	<b>-</b>	<b>4,213</b>
Income tax expenses						(840)
<b>Profit for the period</b>						<b>3,373</b>

Total assets information regarding the Bank's operating segments as at 30 September 2023 and 31 December 2022 is as follows:

(Unit: Million Baht)

As at 30 September 2023

	Retail banking	Corporate banking	Treasury investment and others	Total segments
<b>Segment total assets</b>	172,215	57,399	33,869	263,483
Premises and equipment - net	17	2	713	732

(Unit: Million Baht)

As at 31 December 2022

	Retail banking	Corporate banking	Treasury investment and others	Total segments
<b>Segment total assets</b>	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	
	30 September 2023	31 December 2022
Avals to bills	230,502	182,479
Other guarantees	1,545,506	1,840,962
Undrawn client overdraft facilities	230,000	230,000
Foreign exchange contracts	2,402,535	1,739,526
Others	3,212,513	3,008,291
<b>Total</b>	<b>7,621,056</b>	<b>7,001,258</b>

**3.21.2 Litigation**

As at 30 September 2023 and 31 December 2022, the Bank has been sued for compensation totalling approximately Baht 191 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 30 September 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 30 September 2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity instruments	1,042	5	-	1,037	1,042
Investments - debt instruments	4,314	-	4,288	26	4,314
<b><u>Financial liabilities measured at fair value</u></b>					
Derivatives liabilities					
Foreign exchange contracts	167	-	167	-	167

(Unaudited but reviewed)

(Unit: Million Baht)

As at 31 December 2022

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b><u>Financial assets measured at fair value</u></b>					
Financial assets measured at fair value through profit or loss					
Equity 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

	30 September 2023		31 December 2022	
	Book value	Fair value	Book value	Fair value
<b><u>Financial assets</u></b>				
Loans to customers and accrued interest receivables				
	221,568	220,986	203,982	203,520
<b><u>Financial liabilities</u></b>				
Debts issued and borrowings	7,876	7,442	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.

(Unaudited but reviewed)

**4. Dividend payment**

	Approved by	Dividend per share		Amounts of	Dividend
		Preference	Ordinary	dividend paid	payment period
		share	share	(Million Baht)	
		(Baht per share)	(Baht per share)		
Annual dividend for the year 2022	The 2023 Annual General Meeting of the Shareholders on 17 April 2023	0.80	0.80	737	May 2023
Interim dividend for the year 2023	The 3/2023 Meeting of the Board of Directors on 29 June 2023	1.26	1.26	1,161	July 2023
Total dividend payment during the period of 2023				<u>1,898</u>	

**5. Reclassification**

The Bank has reclassified some items in the statements of comprehensive income for the three-month and nine-month periods ended 30 September 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 30 September 2022		For the nine-month period ended 30 September 2022	
	As previously reported		As previously reported	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Statement of comprehensive income</b>				
<b>Net fee and service income</b>				
Fee and service income	453,098	462,667	1,279,811	1,298,849
<b>Operating expenses</b>				
Other operating expenses	147,279	156,848	410,616	429,654

**6. Approval of interim financial information**

This interim financial information was authorised for issue by the Bank's Audit Committee on 10 November 2023.